DEPARTMENT OF AGRICULTURE APPROPRIATIONS FOR 1961

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS

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PART 4

STATEMENTS OF MEMBERS OF CONGRESS, INTERESTED ORGANIZATIONS, AND INDIVIDUALS

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DEPARTMENT OF AGRICULTURE APPROPRIATIONS FOR 1961

FRIDAY, MARCH 4, 1960.

MARKETING RESEARCH ON APPLES

WITNESSES

HON. WALT HORAN, MEMBER OF CONGRESS FROM WASHINGTON
DR. OMER W. HERRMANN, DEPUTY ADMINISTRATOR, AGRICULTURAL MARKETING SERVICE, USDA
DR. A. LLOYD RYALL, AGRICULTURAL MARKETING SERVICE, USDA
DONALD R. STOKES, AGRICULTURAL MARKETING SERVICE, USDA

Mr. WHITTEN. We shall hear now from our colleague Mr. Horan and several Department of Agriculture officials concerning marketing research on apples.

Mr. HORAN. Mr. Chairman, I have here some of the concrete results of some of the marketing research we have done. This happens to be apples. However, this box here is a box of apples that were picked about the same time as these other apples were picked, the latter part of last September. These other apples were obviously mishandled from the tree to the market while these apples in the box here were picked as I say at about the same time and have been put in a new type of refrigeration which I assume will apply to other forms of perishable commodities.

Mr. Chairman, the reason that we have these displays here is that last week from the general channels of commerce both my colleague Mrs. May and I received a box of apples which I am sorry to say are from my district. They were so unsatisfactory that I wired the tree-fruit experimental station in Wenatchee for this box of apples. This box of apples was held in a controlled atmosphere of refrigeration. You can see that those apples look like they had just been picked off the tree although they were picked last September.

Mr. Chairman, could we have a word from Dr. Ryall about this controlled atmosphere refrigeration.

CONTROLLED ATMOSPHERE REFRIGERATION

Mr. RYALL. Thank you. I agree it would be unfair to the Northwest apple industry to consider the apples on the table typical of Northwest Delicious apples at this time of the year. But we do feel

and our evidence indicates that the apples from the controlled atmosphere could be expected to be in substantially better condition and that as the season progresses, as the storing time increases, there are big changes in controlled atmosphere for those apples in which the intention is to store for 6, 7, 8, or even 9 months; then the differences begin to increase between those and the ones in conventional cold storage.

The process itself has been developed over a good many years. The idea originated through basic research done in England many years ago in which commodities were treated with carbon dioxide. From that over the years has developed the use of first adding carbon dioxide for the preservation of fresh commodities and then the idea of controlling the oxygen content in the rooms as well as the carbon dioxide content.

Rooms have to be specially sealed usually with sheet metal on the walls. There has to be apparatus installed for taking out excess carbon dioxide.

The apple, of course, is a living thing as are all of our fresh fruits and vegetables, so it is perspiring in its normal life, it is giving off carbon dioxide and taking in oxygen. These sealed rooms are filled with apples in the fall, and they are also refrigerated. The apples through their normal respiratory process build up the carbon dioxide and reduce the oxygen. When these levels get to the right percentages then the excess carbon dioxide is scrubbed out with an absorbant solution.

Incidentally, in our research we are working with a number of absorbants and when a little extra oxygen is needed it is added by means of ventilation.

Now, if there are specific questions, I would be very happy to answer them, but I don't want to take up all your time.

Mr. HORAN. To what perishable commodities that are subject to refrigeration will this be applicable in addition to fruits?

Mr. RYALL. We think it has possibilities for a number of commodities but actually the only ones now that it is being used for commercially are apples and pears. We have research going on in our field laboratories over the country in the producing areas in California lemons, Texas grapefruit, Florida limes, California glove artichokes and asparagus, and continued research in the Northwest with fruits in an attempt to determine the ideal atmospheres, the ideal environments, the best way of obtaining these atmospheres.

So we think that it has possibilities for a good many commodities

Mr. HORAN. And the controlled atmosphere is already in use in commercial refrigeration now.

Mr. RYALL. Yes; there are many billions of boxes stored under atmosphere now in the Northeast, Midwest, Pacific Northwest. So it is commercially accepted and widely commercially accepted now, but only within the past few years. This development has been very rapid.

Mr. HORAN. Could we have a word, Mr. Chairman, about this consumer packaging by Mr. Stokes.

Mr. WHITTEN. Yes.

PACKAGING OF FRUITS

Mr. HORAN. Mr. Chairman, since there is a demand for consumer packages on all commodities and since we have so much processing

between the farmer, which bothers our committee, I think this is a step in returning more to the farmer himself. I would like to have Mr. Stokes just say a word because the consumer wants it done this way. That is the prevailing thing.

Mr. STOKES. The retailer if he does the packaging has to pay the expense of the packaging materials. The products when they are displayed loose in a retail store get handled by the consumers, and they become bruised. The next time you go in a grocery store look at the apples and pears in that loose display. Something has to be done to keep those apples and pears from bruising. Somebody has to package them so they will not bruise. These apples are packaged at the apple packing plants where the grocers place the apples in this tray, the film is wrapped around it, this film being the cheapest film. It is a new type polyethylene. The packaging cost is lower if it is done at the point of production. The total cost of marketing these apples is lower if you consider the total cost to the retailers, the laborers, and the retailers packaging cost.

The handling efficiency is lower. This way they can display these apples in a retail store. When they handle the package they are not handling each apple so you save all the way along.

It is much cheaper, and basically there is no question but what you are protecting the apples. They are now being sold by carload lots and the receivers are paying 75 cents a box premium for this type package which shows this is what they want. They are coming in a very good condition.

Mr. HORAN. Mr. Chairman, I think that completes our display here. I want to thank you for coming up here, Dr. Ryall, Dr. Herrmann, and Mr. Stokes.

Mr. WHITTEN. For the record, I wish to thank our colleague, Mr. Horan, for arranging this presentation and I wish to thank you gentlemen for prescribing the type of operation involved here. It is easy to see that the work has shown real results.

As one member of the committee, I feel certain that the work the Department has done in this area of preserving fruits, so that they may have a longer period for sale during the year, is a great benefit to the farmer.

As I say, however, I believe we are forgetting the question of how much work you do from the time it reaches the retail store on through. I wonder how much really is for the benefit of the farmer as such, and how much of it may be for the consumer and the trade in between the farmer and the consumer. Now that is a matter that is open to question, and I have raised it so that they can put in the record all the evidence as to who really gets that benefit.

I am trying to say the work should be done; it is a matter of who it should be charged up to.

I would say in all seriousness that this is a wonderful exhibit. We trust that it has already been proved and we will continue our interest. We would like to have you back every year, so we can see whether you make further progress or not.

Mr. HORAN. I want to say, Mr. Chairman, we are indebted to Archie Van Doren, who is in charge of this work at Wenatchee, for these apples.

Mr. NATCHER. It has certainly been a pleasure serving with my friend, the distinguished gentleman from Washington, Mr. Horan,

and I want you gentlemen to know from the State of Washington the American farmer has no better friend than Walter Horan. Since I have been a member of this committee this gentleman has started me eating apples, and I want you to know that it is not a bad habit.

Thank you, Mr. Chairman.

Mr. WHITTEN. I might say for the record that it has been a pleasure to serve with Congressman Horan, our colleague through the years. We have worked together on many things in the many years that we have served on this committee, some of which have been forgotten in the passage of time. But I recall one occasion for which the whole Northwest is indebted to our colleague, and that is when efforts were made to delete or remove section 32 funds. At that time Walt and I joined together to provide that section 32 funds be primarily used for perishable commodities. We voted together and we overruled the then majority of the committee. There is no telling how much benefit that has been to apples through the years. That is a matter of record.

Thank you gentlemen again, and we appreciate it.

Mr. MARSHALL. Mr. Chairman, I would like to say it is a real privilege to serve on the committee with Walter Horan. It is a real privilege because of the many fine things that he has done for the American farmer. He is a sincere, conscientious hard worker. It is a real pleasure to be associated with him.

Mr. ANDERSEN. All that remains for me to say in this case is to agree with all the fine things you have said relative to our good colleague. He has been a pillar of strength on this subcommittee for a good many years. He very ably represents his district and, for that matter, his State.

Mr. HORAN. I shall leave this statement for the record.

(The statement referred to follows:)

NEW CONSUMER PACKAGES FOR APPLES

More than 10 years ago, in cooperation with the Washington apple industry, we developed a polyethylene bag for prepackaging apples. This has been adopted very widely throughout the country. However, it was not satisfactory for large-size Washington State apples, nor does the bag adequately protect apples from bruising.

The last 3 or 4 years we have worked on many different packages, but this winter we finally developed one which we think is proving to be a fine package. The apples are placed in a shallow tray and are overwrapped with a shrinkable film. The film is sealed on the bottom of the tray. The overwrapped tray goes through a heat tunnel at 300° F. for only 3 seconds. This shrinks the film down tight around the applies and immobilizes them, thus preventing bruising.

The brilliance of the clear film enhances the natural color of the apples and makes them much more attractive on display in retail stores. This type of package also prevents the apples from becoming bruised by customers handling them in retail stores. Bags do not offer that protection.

This work has been carried on by the Washington State Apple Commission under the leadership of Craig Gilbert, chairman, and Howard Robertson, research coordinator, the Washington State College, and members of the packaging industry. This particular film is being produced by the Cryovac Division of W. R. Grace & Co. However, there are other shrinkable films which also offer potential application which have not yet been evaluated.

Three shippers have taken the lead in this experiment: The Washington Fruit & Produce Co. through its officers, John Bloxom and Fred Plath; the Washington Fruit & Cold Storage Co., Herb Frank and Paul Lancaster; and Richey & Gilbert Co., Elon G. Gilbert, president. Another packer, Gleed Co., is now installing similar equipment.

Receivers who have cooperated on these experiments are the American Stores Co., A. & P. Co., Bohack, Food Fair stores, Gristede Bros., Grand Union stores, and Stop and Shop.

Not more than two or three thousand dollars have been spent by the Department of Agriculture in the evaluation of this package this fall and winter. However, private industry, including packaging firms, retailers, and shippers, in contributing personnel and facilities to make these experiments possible, undoubtedly have expended many thousands of dollars. The Department follows the policy of soliciting the efforts of private industry on these packaging experiments, and private industry normally bears by far the greater share of the expenses.

The American Stores Co. is now buying about three full carloads a week of apples packaged in this film. A. & P. is also buying substantial quantities.

In order to get such an experiment underway the Department merely asks various packaging manufacturers, distributors, and shippers if they would like to cooperate. After we develop a package we merely telephone our industry contacts, such companies as the American Stores and A. & P., and ask them to buy some in order for us to make a test shipment. They have developed a confidence in our packaging innovations and usually are very glad to purchase these test shipments. This makes our research possible.

The Washington State Apple Commission accepted the responsibility for evaluating the trade and consumer acceptance to this package and some others. They sent three men to the New York market and arranged to display the packages in several different groups of stores. The apple commission sent their men to the stores to check the condition of the apples and their salability.

In summary, the development of this package is an excellent example of cooperation of growers, shippers, retail distributors, the Department, and packaging manufacturers to find a better way of packaging a better product, to reduce the cost of marketing, and to improve the appearance and sales of the product. Not only growers benefit by this research. Consumers also benefit by getting better quality products, bruise free, which should in the long run promote greater sales.

MONDAY, MARCH 14, 1960.

PROGRAMS OF THE DEPARTMENT OF AGRICULTURE

WITNESS

LOUIS S. CLAPPER, ACTING CONSERVATION DIRECTOR, NATIONAL WILDLIFE FEDERATION

Mr. MARSHALL. The committee will be in order.

At this time we are privileged to have before our committee Mr. Louis S. Clapper, acting conservation director of the National Wildlife Federation.

You have a statement which you wish to make, Mr. Clapper?

Mr. CLAPPER. Yes, Mr. Chairman.

Mr. Chairman, the National Wildlife Federation is composed of 50 affiliates in 49 States and the District of Columbia. These affiliates are made up of more than 2 million individual sportsmen-conservationists.

The National Wildlife Federation, in annual convention in 1959, adopted a resolution which, in part, endorsed the "elimination of Federal appropriations for the large-scale aerial application of chemical pesticides in the fire ant control program, or of any chemical insecticides, herbicides, or fungicides where hazards to wildlife resources, beneficial soil organisms, domestic animals or to human health are indicated, until adequate research is completed both on the effects of the chemicals proposed to be used or on alternate and safer methods of treatment." We opposed the fire ant program, as presently conducted, last year and we now ask that it be discontinued or drastically modified.

We should like to call to the committee's attention the fact that the State of Alabama has refused to grant matching funds for the fire ant control program. Alabama is the State into which the exotic fire ant was originally imported. Alabama is the State most heavily infested. If the fire ant was a real menace, Alabama would not have stopped participation in the program. Since many individual farmers are refusing to contribute funds, the program may become entirely a Federal subsidy. The withdrawal of Alabama alone should call for a reduction in the program.

Admittedly, the fire ant is a nuisance, but nothing more. The value of its control, by broadcast methods, is more than offset by long-term damage to wildlife, fish, domestic livestock and poultry and beneficial soil organisms.

The National Wildlife Federation, therefore, recommends that the committee disallow the $2.4 million requested for continuation of the fire ant program by the Plant Pest Control Division of the Agricultural Research Service or specify that the funds not be used for aerial broadcasting of the potent chemicals.

It is assumed that the committee will grant adequate funds to honor existing contracts for the conservation reserve soil bank program. It may be of interest to the committee that the Federation, in annual convention at Dallas, Tex., on March 6, 1960, recommended that Congress extend the conservation reserve authorization in accordance with a schedule ultimately encompassing 68 million acres in the program by 1965.

We are encouraged that conservation programs of the Extension Service and the Soil Conservation Service are recommended to receive modest increases or to be held at least at the same level in the budget requests.

The National Wildlife Federation suggests that the committee consider giving less emphasis to production practices in the agricultural conservation program. This is particularly true for subsidies of production practices which drain wetlands of high value for wildlife habitat. It does not appear consistent for one program to stimulate crop production when another program of the same department endeavors to reduce it, particularly if additional funds are required to transport and store surpluses.

Thank you, Mr. Chairman, for the opportunity of appearing here today.

Mr. MARSHALL. We thank you very much for appearing before us.

Mr. CLAPPER. Thank you, gentlemen.

MONDAY, MARCH 14, 1960.

MEAT AND POULTRY INSPECTION

WITNESS

ARNOLD MAYER, LEGISLATIVE REPRESENTATIVE, AMALGAMATED MEAT CUTTERS & BUTCHER WORKMEN (AFL-CIO)

Mr. MARSHALL. We are privileged at this time to have before us our friend, Arnold Mayer, legislative representative of the Amalgamated Meat Cutters & Butcher Workmen.

Have you a statement you wish to make?

Mr. MAYER. Yes, sir.

Mr. MARSHALL. We shall be glad to hear you at this time.

Mr. MAYER. Mr. Chairman and gentlemen of the committee, my name is Arnold Mayer. I am the legislative representative of the Amalgamated Meat Cutters & Butcher Workmen of North America, AFL–CIO.

The AMCBW is a labor union with 375,000 members organized in about 500 local unions throughout the United States and Canada. The AMCBW and its locals have contracts with thousands of employers in the meat, retail, poultry, egg, canning, leather, fish processing, and fur industries.

Mr. Chairman and gentlemen of the committee, thank you for the opportunity of again appearing before you to discuss our union's views on the appropriations for meat and poultry inspection. As you know, the AMCBW considers these programs to be vital to the health protection of meat and poultry workers and consumers.

MEAT AND POULTRY INSPECTION NEEDS

The administration has this year requested $21,556,700 for meat inspection. This amount contains a small sum to carry out the provisions of a Government employees insurance program which Congress approved last year. When this sum is deducted, the budget request provides the same amount of funds for operational purposes for the Meat Inspection Division as MID obtained last year. This amount, $21,324,000, is just barely sufficient.

We urge the subcommittee to appropriate the full amount of the budget request. The request is as tight as it can be. Any cut or further tightening will weaken the inspection program.

As far as poultry inspection in concerned, there is a serious problem with the budget request. The administration request of $11,296,000 does not permit the inspection of further processing operations—even though such an inspection is definitely demanded by the Poultry Products Inspection Act. More funds than are contained in the budget request are needed for poultry inspection. Frankly, we do not know exactly how much additional funds are required to cover further processing inspection. But it is between $600,000 and $1 million.

With your permission, I would like to discuss the inspection of further processing operations of both meat and poultry in a little detail. As you know, the laws providing both inspection programs call for an inspection when (1) the animal is slaughtered, and (2) when the red meat or poultry is processed into food products, such as sausages, chicken pies, soups, meat pies, et cetera. The latter operation is called further or secondary processing.

Last year, the committee's report questioned the need for the inspection of further processing operations. We must respectfully disagree with the viewpoint of the report. There are many health reasons why this part of inspection is absolutely essential. Here are just three of them; there are many more.

1. In the highly competitive poultry and meat industry, some operators will fall to the temptation of using unfit meat if these operations are not inspected. Meat and poultry from sick and even animals deceased before slaughter, could be used. The consumer would be no wiser. The foods can be effectively disguised.

2. Unsafe and unfit additives provide a danger in uninspected operations. Even safe additives, such as nitrates and nitrites, could become dangerous if added to meat and poultry products without adequate supervision. The Food and Drug Administration's spot check inspections are not sufficient to guard against this danger.

3. Not only meat and poultry, but also other food products used in the further processing operations, such as vegetables, are highly perishable. These products could be mixed with the meat when they are adulterated. They can make the entire product a good candidate for causing food poisoning.

Some of the processed products, such as bologna, are eaten uncooked. If the product has not been heated adequately while being processed, trichina parasites may remain alive and cause serious illness when eaten.

FEDERAL INSPECTION APPROPRIATIONS ARE VITAL

There are many persons who sincerely believe in the necessity of the inspection programs, but argue that the further processing inspection—or, perhaps, even all inspection—should be paid for by the packer or the processor. Although we recognize that these suggestions stem from a sincere desire to achieve budgetary savings, we must strongly disagree with them. Our union very much fears that to have the packers or processors pay for all or a part of the inspection will seriously endanger the inspection program to the detriment of consumers and workers.

We have had experiences with inspection programs in which the processors paid for the services. These experiences have not been good. The inspection became more of a marketing program, than a program for the protection of consumer health. Processors had an inordinate say in the running of the program. In addition, whenever things did not go their way, they indignantly told the Department of Agriculture that since they paid for the program, it must be regarded as a service to the industry and not a consumer-protective health control placed upon them.

To maintain an independent, consumer-protective program, the Government will have to pay the cost of the inspection. There are many subtle ways in which the inspection can be influenced when the man whose products are to be inspected pays the bill for the inspection.

There would really not be any savings to the average citizen if the processor or packer paid the inspection bill. Certainly, the figures in the budget might be reduced, but the citizen would pay the cost anyway. For the expense of inspection would show up in consumer prices—and perhaps, a little more. The consumer would not have the same protection he has now, but he would still pay the same bill, and perhaps more.

COST IS SMALL

As far as the cost of further processing inspection is concerned, the cost is only a small part of the entire meat and poultry inspection program. We estimate that the further processing inspection in the poultry program will cost between $600,000 and $1 million more than has been requested for fiscal year 1961. This means that further

processing inspection costs between 5 and 8 percent of the costs of inspection at the time of slaughter. This is not a great deal.

The further processing inspection in both meat and poultry, is not a double inspection. It is not a situation of an inspector checking every pot. It is a rationalized program based on many years of experience during which techniques, adequate to protect the consumer, have been developed. They are techniques which are neither overexpensive nor overdone.

In meat inspection, the further processing inspection has been part of the program for many decades. It has more than proved itself during this period. It has been found necessary and extremely valuable.

MISUSE OF POULTRY EXEMPTION

In poultry inspection, we have another story—a sorry one. To adequately tell this story requires a little background.

When the Poultry Products Inspection Act was enacted in 1957, Congress very wisely provided for a mandatory further processing inspection on all poultry products going into interstate commerce. As the legislative representative of the AMCBW, I was closely involved with this legislation during the entire period of its consideration. I can not recall a single time when the need for this part of the inspection program was questioned. Although there was great dispute about many parts of the legislation, there was none about this particular section. Everyone agreed that further processing inspection was essential if poultry inspection was to work.

Several exemption sections were written into the act. The important one in terms of our discussion of further processing is section 15(a)(3). It states:

EXEMPTIONS

SEC. 15(a) The Secretary shall, by regulation and under such conditions as to sanitary standards, practices, and procedures as he may prescribe, exempt from specific provisions of this Act—

* * * * * * *

(3) for such period of time as the Secretary determines that it would be impracticable to provide inspection and the exemption will aid in the effective administration of this Act, any person engaged in the processing of poultry or poultry products for commerce and the poultry or poultry products processed by such person: *Provided, however,* That no such exemption shall continue in effect on and after July 1, 1960; * * *

The legislative history of the Poultry Products Inspection Act shows that this section was to provide the flexibility needed by the Secretary of Agriculture during the difficult first 2 years of operation of this completely new program. Congress felt the Secretary might not be able to provide inspection for out-of-the-way plants during the early period of inspection. This section was to take care of the problem of these plants.

Section 15(a)(3) was not aimed at permitting the Secretary of Agriculture to cut out complete parts of the inspection program. Yet that is exactly what he has done. This exemption was used to keep poultry further processing operations from being inspected. We have in previous years complained to you about this situation, which we considered illegal.

ATTEMPTS TO MAKE EXEMPTION PERMANENT

You, perhaps, thought, as we did, that the exemption would specifically end on July 1, 1960. You may have thought that the Department will surely then request funds for further processing inspection. Unfortunately, this is not the case. The current budget request is for funds which would begin to be used at exactly the time when the exemption of section 15(a)(3) becomes void. Yet, the Department still has not requested funds for further processing operations in the current budget request.

Instead, the Department has attempted to peddle a bill which would make the exemption permanent. This legislation would not only completely change the concept of the exemption, but with it the Department could, on its own authority, undo everything that Congress did to protect the consumer with the Poultry Products Inspection Act. Not only further processing inspection could be endangered, but all inspection could.

There is not one single section of the Poultry Products Inspection Act which could not be put aside by Department fiat if its proposed bill were enacted. The Department could arrogate unto itself the powers of Congress.

Our union will certainly oppose such legislation with all of the power at our command. We sincerely hope and trust that Congress will not allow this positively arrogant move by the Department of Agriculture.

LACK OF CONSUMER CONCERN

Frankly, this whole sorry situation is another example of the consumer-be-damned attitude of the higher officials of the Department of Agriculture. We have had many such examples in recent months. For example, the Secretary's attempt to suspend lamb grading without even considering the consumers interest.

There can be little complaint about the officials and staff of the Meat Inspection Division and the Poultry Inspection Division. They have done a commendable job. But the top officials of the Department demonstrate an attitude that the consumer is really unimportant. Caveat emptor—let the buyer beware—seems to be one of their beliefs.

Our union feared this might happen. When we first suggested poultry inspection, we urged that the Food and Drug Administration be made responsible for it. We argued that FDA had a clear-cut record of consumer concern. High officials of the Department of Agriculture did not.

Unfortunately, we were not able to gain this point. The poultry industry was dead set against inspection by the Food and Drug Administration. The Department of Agriculture violently opposed it. An administration decision was reached that the inspection should be carried out by Agriculture. And, as a result, the spokesmen of the Department of Health, Education, and Welfare and the Food and Drug Administration testified before congressional committees that they did not want the responsibility.

Frankly, we do not want to stir up old quarrels. We will readily state that the Poultry Inspection Division has done a better job than we thought it would. But, unfortunately, our fears about the top level of the Department have been borne out. It may well be necessary to again attempt to bring inspection into the Food and Drug

Administration. This may be the only way in which the consumer can truly gain the protection which the inspection laws promise him.

AMCBW RECOMMENDATIONS

At this time, we would like to recommend that this subcommittee help the Department officials change their ways. We urge that the subcommittee in its report urge the Department to be more conscious of, and have more concern for, the needs of the consumer. We urge that the committee admonish the Department's top officials for their disregard of consumer interests in such instances as their subverting section 15(a)(3) of the Poultry Products Inspection Act.

In addition, please recognize in your report the necessity for further processing inspection in both the meat and poultry inspection programs. Order the Department to carry out this part of the inspection and to implement the mandate provided in the inspection laws.

As for the amounts of money needed by the inspection programs, we urge that you appropriate the full amount of $21,556,700 for meat inspection, as provided in the budget request. We further urge that you increase the poultry inspection appropriations by between $600,000 and $1 million over the budget request, so that further processing operations can be inspected.

The consumer has been promised this inspection by the Poultry Products Inspection Act. By all means he should get it. Thank you very much for the opportunity of presenting these views to you.

Mr. MARSHALL. Thank you, Mr. Mayer. We always appreciate having you before our committee, and we must say that you do a very fine job in representing the union that you represent. You have been very diligent in your duty.

We notice that in several instances in your statement you refer to the Food and Drug Administration. Does the Food and Drug Administration provide a complete inspection for any type of industry under its jurisdiction?

Mr. MAYER. No, sir, it does not. The food and Drug Administration, as you know, is able to inspect the plants under its jurisdiction about once every 4 years or so. As far as meat and poultry are concerned, the Food and Drug Administration jurisdiction begins only after the meat leaves the packinghouse or the poultry leaves the processing plant. Then FDA jurisdiction begins. Until then, the Department of Agriculture has jurisdiction.

What I was discussing here is that the Department of Agriculture has not done its job as far as poultry inspection is concerned. The top officials of the Department have neglected a very important part of the inspection program. We have no argument with the inspection staff itself.

Mr. MARSHALL. Do you know of any instance where the Food and Drug Administration has condemned any of this food?

Mr. MAYER. No, I do not know of any FDA condemnations. That does not mean there have not been any. I suspect the jurisdictional lines at the moment are so vague that Food and Drug has not looked into the poultry area too much. After all, it has comparatively few inspectors, and it has a big job to do, so it leaves meat and poultry pretty much to the Department of Agriculture.

Mr. MARSHALL. You state in your statement that you disagree with the committee report for three reasons. Do you know of any place where for any one of these three reasons food has gone into the market which should not have gone?

Mr. MAYER. Mr. Chairman, I do not know about that because the information is rather difficult to come by. You see, when you have food poisoning cases, it is difficult to tell whether this food poisoning occurred as a result of the lack of inspection or whether it occurred during the retail operations because of spoilage. I do not have any specific cases that we have investigated and are certain where the cause of food poisoning occurred. There are many cases of these products causing food poisoning, but to be very honest with you, I could not tell you whether it was a case of spoilage during transportation or during display in retail stores or during processing at the plant.

Frankly, unless somebody investigated each case to discover where the problem did occur, they could not tell you. But the point is that if a Federal inspector is in the plant at the time of processing, we then can be 100 percent sure that no adulteration will occur. I am giving you a very frank answer.

Mr. MARSHALL. That is one of the reasons you enjoy such a fine reputation up here. You are always honest and frank in your answers.

Mr. Natcher.

Mr. NATCHER. Mr. Chairman, I have no questions to ask of Mr. Mayer, but I would like to join with you in commending him for his fine statement. Certainly, I agree that he is an excellent representative of his organization and does a good job. Thank you.

Mr. MAYER. Thank you very much.

Mr. MARSHALL. Mr. Horan.

Mr. HORAN. We had some discussion relative to the possibility of certifying, under proper supervision, employees of State inspection services similar to the one which the State of California has had—mandatory State inspection on a State basis—for a number of years. What is your reaction to that inasmuch as the poultry inspection alone is what meat inspection cost the Nation when I went on this committee some 15 or 16 years ago? The total amount, you see, is considerable now. It is almost $33 million.

Mr. MAYER. Mr. Horan, quite frankly, we are opposed to that legislation. The reason is that we do not believe State agencies will be able to do the job which the Federal agency can do. Nor can the State agencies be as independent as the Federal agency can. Proof of that is that some of the people who have sought this legislation, people from organizations, came to us. We asked them why they did not seek Federal inspection. The answer we were given was that certain conditions in their plants would prevent Federal inspection—certain sanitary factors and certain building code factors. With the legislation, you would have health problems because the State agencies in some States are much more pressurable than the Federal Government is.

Also, although the legislation you have introduced tries to make State inspection similar to the Federal one, it is very difficult to keep them identical as far as the basic regulations and as far as plant conditions are concerned.

Furthermore, you have very serious problems with competitive factors. The poultry industry and the meat industry are highly competitive. There is a great deal of fear and suspicion about what the other fellow is getting away with. This legislation would increase the suspicion, because already the federally inspected plants are very much afraid that those who would come under the State inspection would get away with something. In many cases they would, but even if they did not, there would be that suspicion over and over again. It would do a great deal of harm in the industry.

As far as the costs of inspection going up, yes, they are. However, I am afraid this is just a part of the increasing cost of living. After all, virtually all of the things we, as consumers, use are going up in price, and this is true of Government programs as well.

On the other hand, our Government's tax receipts are also going up. Our national product is going up. As long as you have that relationship established, the fear of Government expenses going up should not be too great.

Mr. HORAN. We already have Federal-State inspection of other commodities, and it works very well. I happen to know from experience. Under proper supervision by the Federal Meat Inspection Service and proper cooperation, if you have a service which is available and already in operation, I should think that mere statesmanship would call for cooperation at a level that might help us to reduce some of the cost of this very necessary work.

You have not convinced me that we do not need meat inspection. I hope you are not trying to tell me that.

Mr. MAYER. Far from it, sir.

Mr. HORAN. I know. But I am disturbed about the overwhelming increase in poultry inspection particularly, because that is declared to be inadequate in its present state. By putting up scare warnings against something, you might be libeling a very good service. You do not think so, but if it is wrong, why not make it right? Inasmuch as it in itself constitutes a deduction from the common purse, there has to be some relationship drawn. That happens to be the responsibility of the Appropriations Committee.

Mr. MAYER. Mr. Horan, my organization believes in the best inspection possible. It is for that reason that I said what I did about these combination programs.

There are comparatively few States which have meat inspection programs and poultry inspection programs of their own. California is about the only one that has a program which is even similar to the Federal Government's program. As a result, it would be very difficult to have an inspection program which has the same high standards as the Federal one does.

Mr. HORAN. That is all, Mr. Chairman.

Mr. MARSHALL. We thank you for appearing before the committee.

Mr. MAYER. Thank you very much.

MONDAY, MARCH 14, 1960.

RESEARCH IN AGRICULTURAL MARKETING

WITNESSES

HOMER L. BRINKLEY, EXECUTIVE VICE PRESIDENT, NATIONAL COUNCIL OF FARMER COOPERATIVES; ACCOMPANIED BY: KENNETH NADEN, EXECUTIVE COUNSEL, NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. MARSHALL. At this time we are pleased to have before the committee Mr. Homer L. Brinkley, executive vice president of the National Council of Farmer Cooperatives.

Do you have a statement you wish to make to the committee, Mr. Brinkley?

Mr. BRINKLEY. Yes, Mr. Chairman.

I have with me Mr. Kenneth Naden, executive counsel of the National Council of Farmer Cooperatives.

I am Homer L. Brinkley, executive vice president of the National Council of Farmer Cooperatives.

I appreciate this opportunity, gentlemen, to meet with you.

At the 1960 annual meeting of the National Council of Farmer Cooperatives held at Atlanta, Ga., in January, a statement of policy with regard to research was adopted which reads as follows:

> The National Council of Farmer Cooperatives stands strongly in favor of additional research activity in the general field of agricultural marketing. To this end we are in favor of additional research in fields of new and expanded usage of agricultural products including nutrition, studies of pricing mechanism, consumer preferences, margin studies and other studies designed to increase the efficiency of the marketing of agricultural products. Such research should be undertaken from the point of view of the producer, with a goal of increasing producer returns and expanding markets for farm products.

A study of the 1961 budget submitted to the Congress for the U.S. Department of Agriculture reveals that of the $139 million estimated for the Agricultural Research Service, $18 million is proposed for utilization research and development, about 13 percent of the total. For production research the budgeted amount is $49 million and for plant and animal disease and pest control the amount is approximately another $49 million, all of which, of course, is pointed toward the increase of production of farm products. These "increase-the-production" items account for about 70 percent of the budgeted amount for the Agricultural Research Service.

For the Agricultural Marketing Service, the 1960 budget provides for approximately $8 million for marketing research, about 16⅔ percent of a total amount budgeted for appropriation for marketing research and service. The remainder goes for statistical, inspectional, and regulatory services, which are essential to the functioning of the markets in their current status.

The Agricultural Marketing Service also is budgeted for $150 million to administer the school-lunch program, and $270 million for the removal of surplus of agricultural commodities.

So that, approximately 1.7 percent of the funds of the Agricultural Marketing Service are budgeted for marketing research per se.

For the Farmer Cooperative Service there is budgeted $415,000 of intragovernmental funds for marketing research, which is 39 percent of the total budget for that agency.

Summing it up, of the total proposed budget for the U.S. Department of Agriculture amounting to $6.2 billion, only about $26.5 million, or 43 hundredths of 1 percent, is budgeted for actual research of the utilization and marketing of farm products.

Thus the Federal public funds budgeted for research in the marketing and utilization of agricultural products amounts to eighty-eight thousandths of 1 percent of the $30 billion of the annual cash sales of farm products by producers.

In 1957 which is the latest year reported by the National Science Foundation, the food and kindred products industry spent $68 million for research which is about nine thousandths of 1 percent of the total retail value of foodstuffs bought by the American housewife.

As a contrast to this, all private industry was in 1957 spending $7.2 billion for research and development of all manufactured products, and of this the industry financed $3.5 billion and the Federal Government financed $3.7 billion, mostly in connection with Government contracts.

We cannot help but feel that the past and present inadequate and unbalanced private and public research apparatus for production, marketing and utilization of farm products must be charged with much of the responsibility for the situation which is portrayed by the Department of Agriculture statistics showing that since 1947–49 the annual cost to the consumer family of the all-food market basket has increased from $940 to $1,040; the returns to the producer have decreased from $466 to $399; and the margins of the handlers, processors and retailers have increased from $474 to $641. For some products this increased margin has gone to the retail handlers, who have bypassed and taken over the functions of the processor and wholesaler.

In this period the annual net income of the farmer has decreased from $17 to $10 billion, and the farm debt has increased from $8.3 billion to $23 billion. Cash costs of production have increased by $9 billion or 50 percent, the total increase in farm production has reached 25 percent, and the annual deducts from producer returns to pay for marketing costs have increased by approximately $4 billion.

The only conclusion that can be drawn is that the last decade of agricultural research has been coincident with—

(*a*) Increased total farm production of 25 percent over that of 10 years ago;

(*b*) Increased total farm production costs up 50 percent;

(*c*) Decreased annual cash net farm income of 38 percent.

Apparently the application of research to agriculture to date has left much to be desired from the standpoint of both producers and consumers.

The profit margins of farm production suppliers and primary market handlers, who have employed the technological results of agricultural research, have been maintained or increased. They have passed their rising costs back to the producer, because the producers are not equipped with the bargaining power and technical know-how to pass their costs along to the buyer of their products.

Together with other farm groups we supported the Abernethy bill H.R. 7576, to set up a joint Congressional and Executive Department

Commission to evaluate present public agricultural research and results and to direct the use of public funds in balanced programs of research which would benefit the producer as well as the consumer. That bill appears to be shelved. If our public agricultural marketing and utilization research apparatus could be reappraised and redirected, we believe additional funds would give tangible results, particularly in such deficit research areas as nutrition, industrial uses, marketing research and gearing production research to the needs of the market.

We urge that you carefully protect the budgetary requirements of the Farmer Cooperative Service. This is a service agency working exclusively on projects to improve the procurement of farm production supplies and the marketing of farm products by farmer-owned and farmer-operated organizations. As there develop tangible results from the marketing and economic research carried on by and with farmer-owned and farmer-controlled organizations, the benefits will be reflected back at once to the producers in increased margins. Here is a public marketing research agency working exclusively in the interest of the producer, and it is apparent that if we are to insure that substantial benefits from marketing and utilization research are going to be channeled back to the farmer, it will have to be through their own operating organizations or such organizations cooperating with a research agency set up exclusively for the purpose of working with them.

As we have observed over the years, there has been a growing and healthy tendency on the part of Farmer Cooperative Service to assume the role of national leadership in sparking and activating cooperatives themselves, and the land-grant colleges, to increasingly concern themselves with research, service, and educational programs designed to expand and improve agricultural cooperation at the local and regional levels, and especially in the field of meeting the problems presented by specific situations in the activities of cooperatives. As a result of this work over the years, there has developed a much broader research base, participated in by a growing group of persons and organizations at every operating and research level. The value of this work has consistently warranted a steadily growing level of expenditures.

Many of the most urgent economic needs of farmers can best be served by strong farmer cooperatives. These must develop steadily growing abilities, know-how, and effectiveness. To effectuate this, they must be guided through research finding in various aspects of sound marketing policies, strong capital formation methods and sound financial structures, development of effective bargaining power, etc. Management will have ever-growing problems as they attempt to meet problems of integration, contract farming, market changes and opportunities, membership relations, and many other increasingly diverse problems. It should be emphasized that in the future the more pressing problems confronting cooperatives will be those common to all cooperative operations. These must be identified and classified as to time factors and degree of emergency. It is upon a central research agency—the Farmer Cooperative Service—that we must depend to help meet these problems.

I present the very general classifications mentioned above as examples only of the overall areas which must be attacked with research, service, and education, if we are to be able to help guide agriculture away from domination by nonagricultural groups such as

Government, labor, and industry-business. This need is not theoretical. We are living with it now. It may not be met with halfway measures. The stake is an agricultural economy in this country that can hold its own on a competitive basis with any other segment. This agency is the one we must look to for assistance in matching our methods and operations to the responsibilities. The job to be done is so far in excess of present budget and personnel that we urge every consideration be given to such budgetary increments on a regular basis as are reasonably capable of meeting this challenge and opportunity to better serve farmers through better cooperatives.

Mr. MARSHALL. We thank you for appearing before this committee and congratulate you on a very fine statement. I think the records of this committee have shown that over the years we have been very much interested in research in the fields you have mentioned in your statement, as well as in the Farmer Cooperative Service, and I am certain that as far as we are concerned, within our budgetary requirements, this committee will be just as considerate as it can be.

Mr. BRINKLEY. Thank you, sir. I would be very well satisfied if this committee will maintain its very fine record of the past in this respect.

Mr. MARSHALL. Thank you.

MONDAY, MARCH 14, 1960.

POULTRY AND MEAT INSPECTION

WITNESS

GEORGE D. RILEY, AFL–CIO LEGISLATIVE REPRESENTATIVE

Mr. MARSHALL. We have before the committee at this time Mr. George D. Riley, AFL–CIO legislative representative.

Mr. Riley, we shall be glad to have you make whatever statement you care to at this time.

Mr. RILEY. My name is George D. Riley, AFL–CIO legislative representative.

I have a short statement which I will appreciate if you will have included in the record. I do not wish to read it. It speaks for itself.

Mr. MARSHALL. It will be included in the record at this point.

(The statement follows:)

STATEMENT OF GEORGE D. RILEY, AFL–CIO LEGISLATIVE REPRESENTATIVE

The AFL–CIO, representing the world's most numerous grouping of consumers, is genuinely concerned over any proposal either to diminish or fail to extend to the fullest provisions of law the job of inspecting poultry and meat and their products.

Recent developments in legislation within the House Interstate Committee and in the Senate Labor and Public Welfare Committee clearly show that the consumer is in the national picture. His well-being and good health are important to Congress as well as to himself.

We likewise wish to see those employed in the food industry properly and completely protected. We know that a full complement of inspectors on the job will continue to supply the reassurance to which you and your families and we and ours must have.

Black market slaughter conditions during World War II were enough to alarm those who knew and those who wondered when their health was in jeopardy.

Anything short of complete inspection can only suggest some wartime slaughter in filthy barns and under trees in the dark of the moon.

We will not encourage any short cuts in food inspection. We cannot agree in a budget which does not allow for full examination and inspection of further processing operations. The Poultry Products Inspection Act is clear on this point. We call for ample funds to carry out the purposes and provisions of that act.

The hearings on the Poultry Act have clear evidence of diseases which brought that law into being. I doubt that the Budget Bureau is prepared to make its case for budget balancing on its position for less than complete and safe poultry inspection.

As proof of this, an invitation will be sent to the Director of the Budget to join in a discussion of the merits of his failure to include funds for further processing inspection. He will have his opportunity on a national program soon. Whether he accepts, the subject will be thoroughly aired.

Meanwhile, we ask your subcommittee to provide the funds for further processing inspection.

We are convinced that consumers are past the stage of beginning to know what is good for them. They now know what is good for them.

Efforts to abandon lamb grading have failed lately. Even a minute quantity of unsafe cranberries brought America to its collective feet as never before. The Delaney anticancer rider is well rooted in additive legislation.

That is also how we feel about any situations which might arouse consumer concern and unrest.

As for red meat inspection, we are especially interested in the fact that apparently fewer inspectors will be on the job to handle greater quantities of products through all stages. When supervision is cut off short of processing, that is the time when the consumer runs the risk of consuming the results of additives unfit or unsafe for human stomachs.

Today, we are in the position where the Congress is giving sufficient funds to Food and Drug Administration to do its job with health programs and, on the other hand, witnessing the Budget Bureau holding back on sufficient proposed funds with which Department of Agriculture otherwise would be presumed to have to do its job in the area of health protection. We believe the approach toward Food and Drug Administration is the correct one applicable in other directions as well.

Representative Winfield Denton, member of the Appropriations Committee, sums up today's situation quite well in this and all related areas when he said:

"In recent testimony before our Appropriations Subcommittee, witnesses from the Public Health Service told of the need for more research in the field of environmental health. They said that on the one hand, medical science is prolonging life by controlling disease, while on the other hand, our society is creating new and growing health hazards for our people. The essential elements of our surroundings—the water we drink, the air we breathe, the food we eat, the shelter which protects us—or the activities of men—our occupations, recreation, and transportation—are all of actual or potential danger."

Mr. RILEY. The AFL–CIO, representing the world's most numerous grouping of consumers, hopes that adequate appropriations will be granted for the inspection of red meat and poultry, and that there will be no diminution of the idea of carrying on full inspection in other operations, particularly in poultry inspection, which I believe has been cut down by the Budget Bureau for fiscal year 1961.

Frankly, those are the only remarks I have to offer, and I want to thank you very much for your courtesy.

Mr. MARSHALL. We appreciate your coming before us.

Mr. RILEY. I thought if I made it brief I would be more welcome next time.

Mr. NATCHER. Mr. Chairman, I would like to thank Mr. Riley for his fine statement and to say to him and to the members of the committee that shortly after I was elected I had the privilege of meeting George Riley. I have always found him to be a man of his word, and whatever he says to you, Mr. Chairman, it is just that way. He represents an outstanding organization, and is the type of repre-

sentative that meets with the approval of the good people of this country.

I want to thank you for coming before this committee at this time.

Mr. RILEY. I deeply appreciate those remarks coming from my good friend, Mr. Natcher. I know they are from the heart.

Mr. MARSHALL. Mr. Riley, we appreciate your appearance.

Mr. RILEY. Thank you.

MONDAY, MARCH 14, 1960.

RESEARCH IN DRY BEAN INDUSTRY

WITNESS

GEORGE GODDARD, SECRETARY, NATIONAL DRIED BEAN COUNCIL

Mr. MARSHALL. We are pleased to have before our committee again Mr. George Goddard, who has shown a lot of interest in beans. Mr. Goddard represents the National Dried Bean Council. It has been our pleasure to have you before us on a number of occasions in the past.

Mr. GODDARD. That is right.

Mr. MARSHALL. You may proceed any way you wish.

Mr. GODDARD. I have a short prepared statement.

My name is George Goddard, and I am secretary of the National Dried Bean Council, a nonprofit organization representing 5 regional associations, in 11 States, or producers, dealers, shippers, and processors.

Six years ago we sought and received assistance in a utilization research project. This program, greatly expanded, continues with industry contributions more than doubling the Federal assistance. The council has established a research committee to assist and check on the various projects. The council and its research committee have extended their interest into the field of production research. In both fields the Agricultural Research Service has been constructively helpful and cooperative. As an example of this cooperation has been invaluable assistance in the establishment of industrywide seminars, which have been held the past 3 years for the exchange of information, discussion, and checking on the progress of various research projects.

As a matter of policy, we have undertaken from year to year to report to your committee on progress and achievements. This year we felt you would be interested in results obtained in production research, which is unusual, in that the results can be measured in dollars earned for farmers. In Michigan, the largest of the bean-producing States, beans are a late-planted and late-harvested crop. Unfavorable weather at harvest time is a regular hazard. They also have a plant-disease problem—bean mosaic and anthracnose.

In 1948, a cooperative bean disease and breeding program was started. State and Federal funds have been used in this program, but since 1953, the main part of the costs have been met by farmers through a tax of 24 cents per bag on certified seed inspected and certified by a crop improvement association. Some eight new varieties have been developed with the first, Sanilac, being released in 1956.

This is a higher yielding, earlier maturing and disease-resistant variety. Some other varieties, not yet released, are even more promising.

In 1959, approximately 500,000 acres were planted in beans in Michigan, one-third in the Sanilac variety and the balance in the later maturing Michelite variety. Conditions were favorable up until harvesttime and then we had wet weather. The Sanilac varieties were harvested and the Michelite suffered a 22 percent loss. Translated into dollars, the Sanilac made possible savings to bean farmers of $2,395,000. When the difference in yield is taken into account, an addition to farmers' income of $1,100,000 should be added, making the total $3,495,000. This is the dividend for 1 year in one State from production research.

We wish again to thank you gentlemen of the committee for your consideration and understanding of the problems of the producer and agriculture.

We hope that next year we may again have a favorable report to make to you.

If there are any questions I shall be glad to try to answer them.

Mr. MARSHALL. We thank you for appearing before the committee and presenting a very fine statement, and I am sure this committee is very much pleased to find that the work that has been done on bean research has resulted in such remarkable dividends.

What is the market condition of beans now, talking about price and so on?

Mr. GODDARD. We enjoy—I suppose I should not use the word "enjoy"—the lowest support of any price-support commodity, 60 percent. Last year and this year returns to growers have been 70 and 75 percent per year. Our export market last year set a new record. We expect to establish a new high again this year.

Out of a near-record crop in Michigan of about 5½ million bags there were eligible under the support program 1,040,000 bags on January 31. The Commodity Credit Corporation took over on March 1, 183,000 bags. They have not gotten around to offering them. We think when they do they will disappear and that we will go into the next crop year with no beans on the Commodity Credit Corporation's hands and the warehouses pretty well empty.

Mr. MARSHALL. Is it your feeling that the Commodity Credit loans are an asset?

Mr. GODDARD. That is a matter of argument within the industry. Some think we are better off without them. However, we feel it is academic. Everybody labors under the impression that the level of supports steps up the market. We are proving it is not true. It depends on the marketing effort, if an industry is willing to get out and put out.

Mr. MARSHALL. What do you feel the market price of beans would have been had the Commodity Credit Corporation not bought these 183,000 bags? Whould that have created a chaotic market at that time?

Mr. GODDARD. Yes, it would have upset the market.

Mr. HORAN. The support price is 60 percent. Is Commodity Credit making any profit out of this operation?

Mr. GODDARD. They did last year. In some varieties they have shown a loss. Their losses hinge pretty much on how long they have to hold the stuff in the warehouse. If they clean them up within relatively short order it is all right.

Incidentally we got kicked in the teeth with the so-called Cooper amendment. We are not eligible for Public Law 480. Senator Cooper wanted beans for his constituents in the eastern part of the United States, he stuck in this amendment, and we were the only ones who suffered.

Mr. MARSHALL. Thank you, Mr. Goddard.

CONSERVATION OF NATURAL RESOURCES

WITNESS

H. RYLAND HEFLIN, PRESIDENT, FARMERS ASSOCIATION FOR RESOURCE MANAGEMENT

Mr. MARSHALL. We have before our committee Mr. H. Ryland Heflin who has a statement he wishes to make.

Mr. HEFLIN. Mr. Chairman and members of the committee, I greatly appreciate the opportunity of appearing before you again in support of the conservation of this country's natural resources. Two years ago I appeared before you as an individual farmer from Virginia. Last year I was one of a group of three directors from this organization. I have appeared and am here again because I know from my own experience as chairman of the State ASC Committee, as a member of the Farm Bureau, and from my other contacts with farmers not only in Virginia but from throughout the regional area which includes Virginia, that there are many farmers who agree with me and the policies of this organization.

I am here today as president of the Farmers Association for Resource Management—known as FARM—which has members in 29 States. At our annual convention held last month in Chicago, at which I was selected to appear before this committee, FARM adopted some resolutions which are attached to my statement and which I would like to have made part of this record as well as the names of the newly elected officers of FARM. I will be glad to answer any questions you may have concerning these resolutions.

We are very proud of the growth in our organization since its inception 2 years ago and we are doubly proud of the basic objectives for which we stand. FARM is the result of demands by farmers in all parts of the country for a greater voice in developing and administering their own agricultural programs. Our members have become increasingly concerned about recent trends in national agricultural policies which tend to lessen farmers control over their own farm programs. We believe if the overlapping of these Federal agencies continues as the trend and evidence shows that they will, the farm program will be taken from the hands of the farmer and he will have no voice in its administration.

It is the desire of FARM to work for the farmer and reverse these trends so that a full measure of farmer control can be restored. We believe that the most efficient and effective way for Federal farm legislation to be thoroughly understood by the "man on the land," is through the "man on the land." We are not concerned with partisan politics nor do we interfere with other farm organizations. We support the idea of a farm program controlled and operated by farmers, giving him his rightful place in helping formulate legislation to better the farm program. We do not intend to let the program slip away

from the farmer without making the facts clearly known not only to farmers of the Nation but also Congress.

AGRICULTURAL CONSERVATION PROGRAM

The conservation of this Nation's two most valuable resources, soil and water, is the very foundation for preserving all of the inherent natural resources of this Nation. Not only is the farmer who is entrusted with its use and care responsible for conserving the land and water which produce our essential raw products, food and fiber, but responsibility lies also with the American public to see that wise use is made of these resources.

We believe Congress showed great vision and wisdom when it passed the Soil Conservation and Domestic Allotment Act in 1936. For under this act, a national soil conservation program was born which has played a most important role in helping to conserve the soil and water resources of this Nation for generations to come. This program known to nearly every farmer in the 50 States as the agricultural conservation program has in our opinion been the backbone of the various conservation efforts of this Nation. The Government-farmer partnership phase of the ACP has been the main incentive enabling farmers to carry out the necessary conservation measures on the land. For the last 8 years farmers have progressively been caught in a price squeeze of higher costs for things they buy and lower prices for the commodities they sell.

A report recently issued by the U.S. Department of Agriculture shows that farmers total net income in 1959 dropped more than 17 percent from the 1958 figures. It also shows that the average per capita income of the farm population from all sources in 1959 was $960—a drop from $1,043 in 1958—as compared to income of non-farm population of $2,202 in 1959 and which was a substantial increase from the $2,073 in 1958. The farm average would have been even lower if there had not been a 2-percent decrease in the farm population. This low farm income leaves very little for soil conservation which is so essential to this Nation's welfare. We firmly believe in an ACP type of program and strongly oppose any efforts to reduce it below the present annual authorization of $250 million. We are confident that the members of this committee who have long championed an adequate ACP will again as a minimum make available at least $250 million for the 1961 ACP. In years to come we hope you will see fit to increase it to $500 million as authorized in the basic legislation. Only then will the farmers of this country have the necessary tools to perform all the needed conservation measures on the land.

SOIL BANK

Since its adoption in 1956 the soil bank has failed in its primary objective—to halt the ever-increasing supply of farm surpluses. Neither the acreage reserve which was discontinued in 1958 nor the conservation reserve has proven to be an effective means of adjusting crop production. The conservation reserve under the artifice of being a conservation program has mainly attracted not only low-producing cropland but in many cases, as pointed out in a recent GAO audit, cropland which had been idled, summer fallowed, or had a history of

continuous crop failure. The retirement of this land for so-called conservation uses has had no marked effect on reducing the surplus problem for which purpose the large appropriation of soil bank funds was intended. Basically, we believe in the soil bank principle and feel with a little remodeling of the soil bank on the part of Congress a fraction of the money spent under the conservation reserve could be used under the existing ACP which is a conservation program that has already proven its merit. In our opinion an expanded ACP would have been a far better answer to the banking of fertility in the soil. Crop reduction needs a more aggressive approach than outlined so far under the conservation reserve.

GREAT PLAINS PROGRAMS

In an attempt to promote the conservation of soil, particularly against wind erosion, Congress established the Great Plains program. FARM believes this is largely a duplication of conservation programs now performed on a voluntary basis between farmers and such governmental agencies as the ASC, Farmers Home Administration, the Extension Service, and others. We oppose any extension of the Great Plains program as it appears that compulsory conservation under this program could be the forerunner of compulsory 10-year plans for all farms and ranches.

FARMER COMMITTEE SYSTEMS

We heartily endorse the administration of farm programs by democratically farmer-elected county and community committeemen. The farmer committee system which has been in effect for more than 20 years has proven it is fully capable of administering its own programs, especially those programs concerned with soil conservation. There are today approximately 9,000 county and 88,000 community committeemen who under existing law are helping to administer farm programs in their respective counties and communities. These committeemen who unselfishly give so much of their time to further the efforts of the farmer are to be commended as are you members of this committee who in the past years have endorsed the use of farmer committee systems to administer farm programs.

We hope you will continue to see the value of using these committeemen who know farm programs, and who know the farmers with whom they are dealing. We firmly believe that any change away from a farmer committeeman system in administering farm programs would be a serious mistake.

COUNTY ASC EMPLOYEES

The county agricultural stabilization and conservation office is generally referred to as the action agency of the U.S. Department of Agriculture. These offices administer acreage allotments, marketing quotas, price supports, and soil conservation programs. The programs they are responsible for affect almost every farmer in the Nation. County ASC employees have recently organized a national organization known as NASCOE—National Association of County Office Employees. We want to go on record as supporting this organization in its efforts to acquire the same salaries and other privileges as comparable civil service employees.

In closing I want to again thank you for the privilege of presenting this statement to you.

Mr. MARSHALL. Mr. Heflin, would you like the FARM resolutions made part of the record?

Mr. HEFLIN. I would, sir.

Mr. MARSHALL. That may be done.

(The resolutions referred to follow:)

FARM RESOLUTIONS

The Farmers Association for Resource Management at its second annual meeting held at the Conrad Hilton Hotel in Chicago, February 25, 1960, adopted the following resolutions:

NATURAL RESOURCES

Whereas FARM believes that the conservation of this Nation's two most valuable natural resources, soil and water, is the very foundation for preserving all of the inherent natural resources of this country; and

"Whereas the responsibility of conserving the land and water which produce this Nation's essential raw products, food and fiber, lies not only with the farmer who is entrusted with the use and care of our natural resources, but it is also in the public interest to see that wise use is made of our soil and water: Therefore, be it

"*Resolved*, That FARM will actively support a national coordinated soil and water conservation program that will preserve this country's soil fertility and water resources and which will obtain the maximum amount of conservation on the Nation's farms per tax dollar invested."

SOIL CONSERVATION SERVICE—SOIL CONSERVATION DISTRICTS

"Whereas FARM is not anti-Soil Conservation Service or antisoil conservation districts nor does it advocate the termination of any district; and

"Whereas we do believe farmers in a district should have the right to vote out a district just as they have the right to vote a district in, as provided for in the various State soil conservation laws: Therefore, be it

"*Resolved*, That FARM believes this Nation's conservation effort would progress further in each tax dollar spent if the funds were channeled through a voluntary incentive-type conservation program whereby farmers and the public share in the cost of carrying out needed conservation practices, such as presently being done under the ACP."

CONSERVATION PROGRAMS

"Whereas FARM reaffirms its belief that Congress showed great foresight in establishing the Soil Conservation and Domestic Allotment Act in 1936 which provided for an annual agricultural conservation program of $500 million; and

"Whereas, since its inception, the ACP has played an essential role in conserving the soil and water resources of this Nation for future generations and

"Whereas, the Government-farmer partnership phase of this program has been the necessary incentive enabling farmers to perform needed soil and water conservation practices on the land they till: Therefore, be it

"*Resolved*, That FARM supports the agricultural conservation program as the most effective means of getting conservation on the land, and steadfastly opposes any effort to reduce the ACP below the present annual authorization of $250 million; and be it further

"*Resolved*, That FARM will actively strive to restore the ACP to $500 million annually as provided for under the basic legislation of the Soil Conservation and Domestic Allotment Act."

"Whereas FARM does not believe the conservation reserve program of the Soil Bank Act has proven to be an effective means of adjusting crop production; and

"Whereas, since its adoption in 1956, the soil bank has failed in its primary objective, which was to halt the ever-increasing supply of farm surplus; and

"Whereas, under the guise of being a 'conservation program' the soil bank has attracted mainly low-producing, marginal, and sometimes questionable farm cropland into the program; and

"Whereas the retirement of this land for so-called conservation uses has had no marked effect of reducing the surplus problem for which purpose the large appropriation of soil bank funds was intended; Therefore, be it

"*Resolved*, That FARM is opposed to the extension of the soil bank beyond the present contracts in effect."

GREAT PLAINS PROGRAM

"Whereas Congress, in an attempt to promote the conservation of land and other natural resources, established the Great Plains program; and

"Whereas the Great Plains program provides for grants-in-aid under 10-year contracts between individual farmers and ranchers and the Soil Conservation Service, with severe penalties and fines for breach of contract; and

"Whereas these contracts and plans as designed by the Soil Conservation Service vest managerial control of such farms and ranches in governmental bureau namely, the Soil Conservation Service; and

"Whereas fines and penalties imposed by the Soil Conservation Service could result in Government ownership of such farms and ranches under contract; and

"Whereas, compulsory conservation under the Great Plains program could be the forerunner of compulsory 10-year plans for all farms and ranches; and

"Whereas the Great Plains program is largely a duplication of conservation programs now performed on a voluntary basis between farmers and ranchers and such governmental agencies as the ASC, the Farm Home Administration, the Extension Service, and others: Therefore be it

Resolved, That we oppose the extension of the Great Plains program."

FARMER COMMITTEE SYSTEM AND EMPLOYEES

"Whereas FARM strongly believes in the administration of farm programs by democratically farmer-elected county and community ASC committeemen: Therefore be it

"*Resolved*, That FARM believes farm programs should be controlled by farmers rather than a regimented operation under a Federal bureaucracy; and be it further

"*Resolved*, That FARM favors the use of the approximately 9,000 county and 88,000 community committeemen who are democratically elected by farmers in developing and administering farm programs."

"Whereas FARM believes that ASC employees of county committees are rendering more service per dollar of administrative expense to the farmers and the Nation than any other agency; and

"Whereas the program they administer varies from acreage allotments to price supports to soil conservation; and

"Whereas almost every farmer in the Nation is affected one way or the other by the programs administered by the county ASC office; and

"Whereas it is indeed the "action" agency of the U.S. Department of Agriculture; Therefore, be it

"*Resolved*, That FARM is strongly in favor of county ASC employees being placed on an equal salary basis with civil service employees; and be it further

"*Resolved*, That FARM endorses a health and insurance program for county ASC employees comparable to that available to civil service employees."

GENERAL FARM LEGISLATION

"Whereas present farm programs have worked in some areas but have failed to solve our major farm problems: Therefore, be it

"*Resolved*, That FARM urges the administration and Congress to develop a coordinated farm program which will be in the best interests of farmers, consumers, and the Nation."

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Officers and directors elected at the second annual meeting held in Chicago, February 25, 1960.

Mr. MARSHALL. We thank you for appearing before the committee. We shall adjourn until 1 o'clock tomorrow afternoon.

WEDNESDAY, MARCH 16, 1960.

EXTENSION SERVICE OF LAND GRANT COLLEGES AND STATE UNIVERSITIES

WITNESSES

HON. GEORGE M. GRANT, A REPRESENTATIVE IN CONGRESS FROM THE SECOND CONGRESSIONAL DISTRICT OF THE STATE OF ALABAMA

DR. W. A. SUTTON, DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE OF THE UNIVERSITY OF GEORGIA, AND CHAIRMAN OF THE LEGISLATIVE SUBCOMMITTEE OF THE COOPERATIVE EXTENSION SERVICE COMMITTEE ON ORGANIZATION AND POLICY OF THE AMERICAN ASSOCIATION OF LAND GRANT COLLEGES AND STATE UNIVERSITIES

E. J. NESIUS, DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE OF KENTUCKY

H. R. ALBRECHT, DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE OF PENNSYLVANIA

M. A. ANDERSON, DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE OF IOWA

SKULI RUTFORD, DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE OF MINNESOTA

Mr. WHITTEN. Dr. Sutton, we are glad to have you. I understand you are going to speak first on behalf of the Extension Service. Then we will go to the experiment station presentation.

Before you proceed, Dr. Sutton, Mr. Grant of Alabama, our colleague, wishes to make a statement. I want to recognize Mr. George Grant of Alabama, our colleague, a member of the Agriculture Committee, who has always been interested in extension. We are glad to have him here today.

Mr. HORAN. May I say we had George Grant this morning on the Subcommittee on Watershed and Forestry, and very many fine tributes were paid to our colleague from Alabama.

Mr. WHITTEN. We shall be glad to hear from Mr. Grant. He is busily engaged with matters on the floor, and with your permission. I would like to have Mr. Grant speak first.

Mr. Grant.

Mr. GRANT. Thank you very much, Mr. Chairman and members of the committee. I have long been interested in the Extension Service because of my closeness to it in the State of Alabama. My office in my hometown of Troy is in the same building as the county agent and other governmental agencies. And, frankly, I think that the body of county agents in America has been overlooked in recent years.

I appreciate the fact that this committee has increased funds for the Extension Service and that over the years you have recognized the worth of the Extension Service.

But, to me, this group of men—in the first place, they have worked themselves out of a job, so to speak, because in carrying education to the farmer, they have made two blades of grass grow where one grew before.

And, in the second place, they are, insofar as salary increases are concerned, in the no-man's land, so to speak, because in the same building we have other agriculture and governmental agencies, and without any disrespect for them—they are all doing fine work—but I have actually seen cases where employees in the county agencies doing similar work to those in other governmental agencies have been paid less.

Well, we could easily say that that is not our responsibility; that you have a cooperative responsibility with the counties and with the States; and I think that is one thing that makes it bad, because the counties and States take the position that any increase should be made by the Federal Government and vice versa.

I have attempted over the last year to get some figures from the Bureau of the Budget and from Dr. Ferguson's office, and while it is true that the county agents have received a small increase, the facts are that most of the increase that has been given and recommended by the committee and Congress has gone for other purposes, rather than for the increase in salaries of county agents.

I might call attention, for instance, of the $8,240,000 Federal increase to States since 1956, while not earmarked, it was understood to be $4,175,000 for additional State and county extension personnel, $175,000 for matching funds, $890,000 initiation and conduct of the rural development program, and $3 million for salary increases.

The average salary of all Alabama county extension agents has increased about 10 percent since 1956. Now, that increase, while it has been about a 10 percent increase, has not been solely the result of the Federal increase.

And I, for one, the same as you gentlemen, certainly realize that there is a county and a State responsibility. However, at the same time, I think that we have to set a pattern, and I do hope that the committee, after hearing from these gentlemen here representing the Extension Service at the State levels, will, in your wisdom, give at least some increase so that, if necessary, it will be earmarked or at least be recommended that it go not for new services of Extension Service, but it will go for the salaries and the offices and to the county agents themselves.

I know this: that over at Auburn University, in my home State, I have talked to a good many of them over there, and young men who were going in to make the county agent their life's career are not doing it like they did a few years ago.

They are going to other agencies, and I think that they should be entitled to this increase, and I just want to put in my two bits' worth for that.

Thank you very much, Mr. Chairman.

Mr. WHITTEN. Thank you, Mr. Grant. We are glad to have you before us and glad to have your statement.

Dr. Sutton?

STATEMENT OF DR. W. A. SUTTON

Dr. SUTTON. Chairman Whitten and members of the committee, we are certainly pleased and honored to have the privilege again to appear before this committee in regard to the Agricultural Extension Service appropriation for the coming fiscal year.

We also are very pleased to hear the testimony that was given by Congressman Grant, of Alabama, in regard to the county extension agents' salaries. A little later I shall comment on the salary situation with our extension personnel.

During the past year we in the Extension Service, extension directors and the staff, have made a study State by State of the needs of the Cooperative Extension Service of the Nation.

The prepared statement that we are presenting to you gives in detail the request and justification of needs of the Cooperative Extension Service of the various States and territory of Puerto Rico. We would like to present this statement to you for your information and for the record.

Then each of the members of our committee would like to make a brief statement to your committee, and following that we hope that you will have questions which we will try to answer.

(The statement referred to is as follows:)

STATEMENT OF THE LEGISLATIVE SUBCOMMITTEE OF THE EXTENSION COMMITTEE ON ORGANIZATION AND POLICY OF THE AMERICAN ASSOCIATION OF LAND GRANT COLLEGES AND STATE UNIVERSITIES

Mr. Chairman and members of the Agricultural Appropriations Committee, I am W. A. Sutton, director of the Agricultural Extension Service at the University of Georgia. I, also, am chairman of the Legislative Subcommittee of the Cooperative Extension Service Committee on Organization and Policy of the American Association of Land Grant Colleges and State Universities. Other members of the committee appearing with me are Directors E. J. Nesius of Kentucky, H. R. Albrecht of Pennsylvania, M. A. Anderson of Iowa and Skuli Rutford of Minnesota.

Cooperative extension service

We who are privileged to work in the cooperative extension services of the Nation have a deep inner pride in our organization and our work. Our programs aid in the development of our farm, home, youth and community resources, the growth of the total agricultural economy and, indeed, the growth of the national economy. We are fortunate to be a part of an organization helping produce worthwhile results.

We feel that the Congress of the United States should share our pride, for the Congress created the cooperative extension service as a partnership agency of the Federal, State and county governments of our great Nation. Congress has provided us with much of the funds and many of the incentives for providing this out-of-school educational service to all our people.

Request $6,000,000 increase

Our committee appearing before you today appreciates the Budget Bureau's recommendation for an increase of $2,865,000 for payments to the States for the 1961 fiscal year. Certainly, these funds can be used very effectively for expansion and intensification of our work in rural development and other areas.

But these funds are not nearly adequate to meet our program needs for the year ahead. Therefore, we urge your consideration of the Land Grant College Association's request for an increase of $6 million to go to the States rather than the smaller figure of $2,865,000.

Major needs for $6 million increase for States

This increased appropriation is needed to enrich our service to the people of the Nation in the following areas which we will summarize here and then discuss in greater detail:

1. *Rural development.*—This program, which has been successfully tested in pilot counties and areas, holds a tremendous potential for total community, county, area, and national economic development. We feel this program should be expanded on a statewide basis.

2. *Farm and home development.*—This method of doing Extension Service work, which the Congress made possible several years ago, has produced very worthwhile results in total farm and home planning and development. With developments in agriculture taking place at such a rapid pace with consequent necessary adjustments, many more families need this type assistance. About 144,000 families are now receiving this intensive educational assistance and we feel that it should be made available to many additional thousands of families.

3. *Marketing.*—Marketing in many instances has moved off the farm into the hands of specialized firms. Although the Extension Services are doing some work with such organizations, staff members with specialized skills must be added to our staffs if both farmers and consumers are to receive benefits possible from more efficient marketing of farm products.

4. *Family living.*—Tremendous demands for assistance are being placed on our home demonstration agents by urban and rural nonfarm people as well as by rural people who, in themselves, are making increasing demands, particularly for information on home management and all things related thereto such as time and money management.

5. *Four-H Club work.*—We are proud of and flattered by demands for an increase in 4-H Club work, both in program content and area of service. Membership is steadily increasing even without membership campaigns. Yet, there is a physical limit as to the number of club meetings an agent can conduct or the number of members with which he can work individually. This very worthwhile program should be expanded.

6. *Implementing scope report.*—The additional scope and responsibility of the Extension Service, as documented in this report which has been furnished to the committee, will require additional personnel and, in many cases, personnel with vastly different training from the staff members which we now have.

7. *Salaries.*—Although we have made commendable progress in recent years in adjusting Extension salaries to where they are more competitive with other agencies and industry, a number of States report that low salaries still are a problem.

Each of the above areas should be expanded or enriched and we earnestly seek your support in providing the necessary funds.

Needs for strengthening Federal Extension Service

We strongly endorse the need for increased funds for operation of the Federal Extension Service. We believe the $150,120 increase included by the Budget Bureau is absolutely necessary if the Federal Extension Service is to provide the leadership and program direction we in the States expect. Actual needs for the Federal Extension Service are well above this minimum.

We appreciate the honor of appearing with Mr. Russell Thackrey who is known to all of you as the very able secretary of the Land Grant College Association and who arranged with you for this hearing.

We also are delighted to appear with our colleagues from the agricultural experiment stations. Just as the Extension Service is a three-way partnership—so is our work in the land grant colleges in the 50 States and Puerto Rico which our committee represents. We have our teaching staffs, our research scientists, and our extension workers.

Extension and research truly make up a team in serving the people of our States. Research is the bedrock upon which we based our educational work. The experi-

ment stations, in turn, are dependent in a large measure on the Extension Service to disseminate the research findings to the farms and homes of the Nation. So, as you can see, it is entirely fitting that we appear together before your committee.

Extension Service—A three-way partnership—Federal, State, and county

I have already referred to the partnership arrangement in financing Extension Service work. For the current fiscal year, the Congress has provided $64,123,000 for support of the extension program in the States and Puerto Rico, and the Federal Extension Office. The States, through the land grant colleges, are supplying $53,583,000 and the counties of the Nation are contributing $32,773,000. A detailed report on appropriations is attached to this statement.

Another example of our partnership and a true example of democracy in action is found in program determination. Extension programs start with the people in the counties who express their own program needs. County extension service personnel help this local leadership analyze their situation, determine alternatives, and carry out programs developed to improve farm, home, and community conditions. Our efforts at the state and Federal levels are primarily those of providing technical assistance to county staffs.

Extension is one of the oldest public agencies in agriculture, and at first it was often alone in the field. But today we recognize that our work is mutually supporting and supported by the excellent work of other public and private agencies.

We know that our work is made more fruitful and more satisfying by the excellent cooperative relationships we enjoy with such public agencies as the SCS, PCA, FHA, ASC, REA, Forest Service, State departments of agriculture, State conservation departments, and teaching programs in vocational agriculture, health, education, and conservation, and such private agencies as farm organizations and commodity groups.

Extension work endorsed by many groups

We are proud of the fine working relationships and understandings we have with all of them. We greatly appreciate the evidence of support of many of these private groups such as the American Farm Bureau Federation and the National Grange as indicated in the resolutions of their State and National annual meetings.

We pledged our continued cooperation as a member of the "team" of the dedicated and devoted group of public and private agencies serving the farms and homes of this great land.

Program adjusted to needs of people

The program of the cooperative extension service is dynamic and is adjusted constantly to best meet the needs of the people with whom we work and serve. Programs are planned and built by local leadership in the counties—using guidelines set out by State and National Extension leaders insofar as they fit local conditions.

Extension's effort in sound program planning has been greatly intensified during the last few years. At present, we are working with the leadership in more than 2,000 counties in the development of long-range programs.

The role of the Extension Service in this type planning—which we call county program development or program projection—is that of providing stimulus and guidance to group action, and providing and interpreting information needed to arrive at intelligent decisions. Many groups and individuals are involved in an organized and systematic analysis of the situation, needs and resources. Then, these leaders develop a comprehensive long-range program to meet these needs.

Educational needs reflected by local planning committees are placing increasing demands for a more technical and specialized program on the Extension Service. At the same time, these local groups are asking for more comprehensive and varied information dealing with such problems as community development and public affairs.

These increasing demands for more varied types of assistance reflect, in themselves, changing conditions in agriculture.

Farming is becoming more and more complex. Increasing family problems are being brought about by rapid changes in our society. We are finding it necessary to seek out better qualified personnel—personnel with skills vastly different from those needed a few years ago. Such workers often can command higher salaries than we are able to offer. This is one reason it has become necessary for us to seek increased appropriations.

American agriculture has made much progress in recent years. We feel that much of this progress can be attributed to the cooperative extension service as the unifying force between the Department of Agriculture and the land-grant colleges of the Nation.

The Extension Service conducts the educational program which links farmers and homemakers with the research facilities of the Department of Agriculture and the State agricultural colleges and universities. Adoption of many research recommendations is promoted through result demonstrations conducted by farmers who cooperate with the Extension Service in demonstrating good practices to their friends and neighbors.

Basic objective of Extension Service

The basic objective of extension work is to help people improve their managerial and technical skills, improve their economic status and adapt these improvements to family living and community life.

Changes in conditions and situations facing farm and other rural people in recent years have resulted in corresponding changes in the problems, the needs and demands of people served by the cooperative extension service.

Such factors as the declining number of farms, the rapid application of improvements in farming, larger capital requirements, the increasing number of complex problems faced in both farm and home management, growing off-farm employment and both declining and expanding rural communities have required shifts in extension program emphasis and in methods used to reach people.

Hence, the current extension program is giving more attention to efficiencies in farm production and marketing of farm products, more skillful farm management, community resource development and public affairs education. The home economics phase of the extension program is directed toward skillful family purchasing and management of family income and to sound nutrition as well as improved child care. The 4–H Club program is giving particular attention to projects that develop a greater understanding and appreciation among youth for science, including economics and other social sciences.

The current educational activities of county extension staffs deal with three levels of activity or program areas:

1. Problems where specialized, technical, economic or social information is needed.
2. Problems of the farm and home as a unit, including problems of the family as a whole.
3. Problems of the community, county and State—community or rural development, public affairs and policy, and social and economic growth and adjustment.

Extension of technology

The extension of technology in agriculture and home economics resulting from the research in the land-grant colleges and the U.S. Department of Agriculture has always been an important responsibility of the Extension Service. This includes, for example, information on animal nutrition, crop varieties, animal diseases, fertilizers, pest control, machinery, weed control, food preservation, clothing construction, nutrition and the like.

The cooperative extension service enjoys a unique role in providing objective, unbiased information. Also, the Extension Service has the added responsibility of providing understanding behind the technology—that is, the "Why" as well as the "What."

Farm and home development

The second area, that of the farm and home approach, is frequently referred to as farm and home development. It is an example of educational work designed to deal with larger problems—problems of the total farm undertaking and those of family living. It is designed to assist the farmer and homemaker in fitting together the complex pieces of information on practices and enterprises to arrive at desirable combinations for efficient, profitable, satisfying family living. The Extension Service is just as concerned with what the farm does to the family as it is with what the family does to the farm.

Today's agricultural scene is one of high cash operating costs, large investment and risk, rapidly changing technology, and increasing production efficiency. Coupled with these changes are off-farm influences over which farmers have little or no control. Management errors in dealing with any one of these forces can be ruinous.

Experience with farm families shows a wide variation in the income attained by families with similar resources. This variation is largely accounted for by differences in the ability to make and carry out decisions and long-range plans in operation of the farm and home.

To meet this situation, extension has expanded the teaching method known as farm and home development which affords an opportunity to work with the farm

and home as a unit in the decision-making process, as well as to emphasize a systematic appraisal of alternative solutions to changing economic problems.

About 144,000 farm families are receiving this more intensive educational assistance. In 1958, 73 percent of the counties were working with this method. One-fourth of the families began to develop a combined farm and home plan during the year. One out of every six families reached the point where they could go on with the plan without special extension assistance. The value of this work is demonstrated by the results it produces.

Some 30 percent more extension manpower is going into the important field of management on the farm and in the home—comparing 1958 to 1953 and we expect this trend to continue.

Rural development

The third area, dealing with problems of an entire county or economic area, is concerned with economic growth and development. Extension Service people have worked with county leaders for years on the formulation of county agricultural programs. Now, under the impetus of the rural development program, such committees are seriously planning for total county or area development. They realize that solutions for many of the ills affecting low income areas must be found outside strictly agricultural programs, and that some solutions can best be attained on an area rather than county basis.

Many of our rural communities have shown clearly that lasting economic progress can be gained when people are willing to join together in an organized effort. The rural development program in which extension joins with other agencies encourages local people and their leaders to give direction and provide the initiative for area economic development. At the same time, the program recognizes that many rural areas need special assistance in organizing and carrying forward such work.

Rural development includes a great deal more than improved farming and farm living. The prosperity and well-being of farm families depend in great part on the prosperity of counties and trade areas in which they live and the essential community services available. Promotion of sound, permanent business and industry, attention to the educational needs of young people, adequate health service—these all have a direct bearing on the welfare of the farm family.

The rural development program has added another dimension to the development of extension work. It originated as a special effort for directing more resources, skills, and services into effective programs for families on small, low production farms.

Many small commercial and part-time farmers on low production units are not benefiting as they might from recent technological changes in agriculture. About 56 percent of the Nation's farms produce less than 10 percent of the marketed farm products. There are over 1,000 counties, about one-third of all counties in the United States, where there are serious underemployment, low incomes, and unsatisfactory levels of living.

This program's long-range effort is helping underemployed farm people increase their income and improve the economy of their areas. During fiscal year 1959 the Extension Service increased its efforts to give guidance and assistance to this program. Although many governmental and private agencies and groups participated, the Extension Service provided the organizational and action leadership in addition to adjusting its regular program efforts to fit more nearly the dominant developmental needs of these pilot areas.

The program has enlisted the active and enthusiastic support of farm, business, civic, and other local leaders who are working together as a team, with the assistance of locally designated extension workers, to bring about economic and other improvements essential to the welfare of the underemployed rural residents of these areas.

These efforts have resulted in more job opportunities, better farming methods, improved marketing facilities and procedures, better adapted vocational training, improved vocational counseling and placement services, better health facilities and their more widespread use, and a number of other developments of vital significance to the areas concerned.

In addition, the Extension Services, through their regular programs adapted to the more prominent needs and opportunities in these areas, have been able to encourage a significant number of farm families to produce specialty crops in volume adequate to insure a good market outlet; to enlarge their current operating units through rental or other means; to modernize their farming practices; to improve the quality of their products in order to command a higher price; to improve their family living conditions and home-produced food supplies; and to engage in combined efforts for community improvement.

Traditionally, Extension Service work has been thought of in terms of work with adult farmers, farm homemakers, and youth. Our work with each of those groups has been implied in the foregoing statements, but we desire to include short statements regarding home demonstration and 4–H Club work. Also, we would like to make a brief statement about our work in marketing since this is a vital area of interest to all people.

Extension work with families

More than 7,475,000 families were assisted by home demonstration workers in 1958. This is an increase of about 30 percent over 1954 and 8.8 percent over 1957. In 1958, home economics extension workers encouraged these families to use knowledge and skills drawn from many sources in solving the many complex problems affecting their needs.

During 1959, homemakers were assisted by educational programs directed toward (1) managing total family living resources of time, money, energy, and abilities to provide optimum satisfaction for all members of the family; (2) consideration of practical alternatives in solving problems of daily living within the home and in making longer time decisions for the family in such areas as child development and human relationships, nutrition and health, clothing, family economics, housing, equipment, and furnishings; (3) achieving skill in working cooperatively with others to identify and get understanding of community problems and public affairs which affect family living, and to obtain the needed improvements in services and facilities; (4) enhancing, through these and related experiences, personal development, and growth of leadership.

4–H Club work

The primary aim of 4–H Club work and other extension work with youth is to provide opportunities through organized 4–H Clubs and project work for learning not only the science of agriculture and homemaking but also to promote mental, physical, social, and spiritual growth. Informal education offered by the Cooperative Extension Service uniquely supplements the training received in the home, church, school, and other youth-serving agencies.

In 1958 the 4–H Club enrollment increased over 50,000 to a total of about 2,254,000. There are over 92,000 local 4–H Clubs. Responding to the needs of American youth are about 300,000 local 4–H Club leaders.

A current analysis of the country's youth population shows a decrease in the number of farm youth, which is to be expected, since there is also a decrease in the number of farms and farm families. These trends have had an impact on the nature of 4–H Club work.

The tremendous growth of such projects as entomology and electricity reflects the current interest in the scientific method. The increased participation from nonfarm homes is responsible for the growth of new projects, such as automotive care and safety. The program known as career exploration has gained much momentum due to the concern of young people about their lifetime job possibilities.

The Federal Extension Service and State extension leaders are exploring new ways and methods of expanding the understanding and appreciation of science through the 4–H Club programs. Currently there is taking place a pronounced upgrading of the substantive content of these programs. The recent national conference held in cooperation with the National Science Foundation evidenced this trend as 27 of the Nation's leading scientists and extension leaders met to discuss the development of such programs.

Specific examples of this greater depth of 4–H programs are the TV science series of Michigan, the gibberellic acid work with plants in Massachusetts, and the climatology project in Iowa. Increased 4–H work in economics is underway in Florida, and a cooperative project in marketing and career exploration is underway in Pennsylvania.

Marketing, distribution, and utilization of farm products

The extension marketing program has three major goals:

1. To reduce the cost of marketing farm products.
2. To expand the market for farm products.
3. To help people understand the marketing process.

Extension is under a firm obligation to carry on educational programs in marketing, utilization and distribution. This obligation stems from three sources: the basic legislation establishing extension work, the traditional role of the Extension Service in USDA and in the land-grant colleges, and the accepted responsibility of the Extension Service to farmers, business firms, and the general public.

Solving these marketing problems requires working with farmers, local assembly and shipping points, processors, firms providing the services of transportation and storage, and the distribution firms including central markets, wholesalers, retailers, and consumers. Extension is now working with each of these groups. In addition, some attention is also devoted to the marketing system as a whole.

Increased efficiency in marketing, distribution, and utilization will result in higher profits for farmers and business firms and cheaper and higher quality agricultural products for consumers. The competitive position of agriculture in our total economy and in world trade will be strengthened.

In spite of difficulty of locating personnel with the particular type of training needed for the job, extension has strengthened its effort in marketing. A three-fold increase in professional manpower devoted to marketing work is predicted by 1963.

Extension prepares for the future

The Extension Service is now in the midst of the most intensive study, analysis, and evaluation of its programs, personnel, methods, organization, and resources that it has ever made. As evidence we present the following:

1. We are modernizing our program. During the past 4 years our extension services have developed two reports. The first, "A Statement of Scope and Responsibility of the Extension Service" is now widely referred to as the "Scope Report." It was completed about 2 years ago and copies were made available to you at that time. The second, "A Guide to Extension Programs for the Future," was published in October of 1959. These reports outline nine areas of program emphasis which will receive top priority during the years ahead. We believe that they constitute the core for an adequate informal educational program of nation-wide significance. Although we have discussed these with you before, we would like to list them again. They are—

   a. Efficiency in agricultural production.
   b. Efficiency in marketing, distribution, and utilization.
   c. Conservation, development, and use of natural resources.
   d. Management on the farm and in the home.
   e. Family living.
   f. Youth development.
   g. Leadership development.
   h. Community improvement and resource development.
   i. Public affairs.

2. Substantial progress has been made in increasing the effectiveness and competency of our staff through more complete training at all levels.

   a. Inservice, undergraduate, and graduate training is being conducted at many institutions.

   b. The National Agricultural Extension Center for Advanced Study is being operated at Madison, Wis.

   c. The National Project in Agricultural Communications at East Lansing, Mich., has made a significant contribution to our training program.

3. Some progress has been made in improving salaries—particularly for county extension workers—thus making it possible to employ and retain more competent and better qualified individuals.

4. States are studying and evaluating their organizational and administrative patterns to achieve more effective and more efficient service.

5. Every effort is being made to keep abreast of new technology and encourage its adoption.

6. The program projection approach is being widely used.

7. The rural development approach is achieving worthwhile results.

8. We are meeting with increasing success in the use of the "management" or "decisionmaking" approach through farm and home development.

9. More educational work is being done in marketing and consumer information.

10. The emphasis in 4–H is shifting to include greater emphasis on—

   a. Career exploration.
   b. Science.
   c. The "why" rather than the "how" of things.

11. Work in public affairs is increasing.

12. More emphasis is being placed on the development of complete farm and home programs.

Extension's efforts in community development and public affairs have increased. By 1963, it is anticipated that extension will devote at least 50 percent more effort in this field than it did in 1953.

High-caliber workers with specialized training in these areas will need to be added to present staffs. In some cases these staff members will work on an area basis in order to make most effective use of their talents and make the biggest contribution to our economy. Added funds will also be needed to increase salary levels so that extension can hold the best trained and most effective workers on its staff.

Extension helps people help themselves

The Extension Service has demonstrated here in the United States, and throughout the world, that it has a dynamic program that helps people to help themselves. We are confident that if Congress, the States, and the counties provide essential funds we can carry out an educational program that will further help people to help themselves, and thereby make a worthy contribution to society and the welfare of our country.

The Cooperative Extension Service is a saga of achievement in American education which many other nations are striving to duplicate. It represents a unique partnership of local people and their organizations: county, State and Federal Governments; and the land-grant colleges and universities. The partnership has its roots in the needs of people at home and at work. It builds on a pooling of their common problems and the creative application of their own talents and resources. Government at all levels share in the program and have responsibility for providing financial support. Each must provide a just and equitable amount.

Mr. Chairman, and members of the Appropriations Committee, our committee, in closing, would like to express our view that our warehouses of food and fiber and the American farmer's capacity to produce is a far greater deterrent to war in these uneasy times than our armaments and military strength. Our potential enemies have a healthy regard for our agricultural production.

Our steadily increasing population can mean hunger and scarcity in the next 20 years if we let up on our research programs to discover new ways of increasing yields, or if we let up on our program of extension education which brings about the use of research results.

In keeping with out obligations to the people which call for more competent extension workers and the taking on of added responsibilities, we reiterate our need for a $6 million increase in appropriations. We hope this committee and the Congress will give this request favorable consideration.

Again, we thank you for your support of the Cooperative Extension Service program and we pledge to you our best efforts to continue our educational work which has helped to make America the greatest and richest country on this earth. We appreciate this opportunity to tell you about our work.

Appropriations for extension work, 1959–60

Federal:		
Extension programs in States and Puerto Rico	$53, 715, 000	
Operation of Federal Extension Office	2, 243, 000	
Penalty mail	2, 491, 000	
Retirement for Extension agents	5, 674, 000	
		$64, 123, 000
State		53, 583, 000
County		32, 773, 000

Dr. SUTTON. We regret that our good friend, Mr. Russell Thackrey, the able secretary of the Land Grant College Association, who arranged for us to be here, cannot be with us today.

We are pleased to appear with our colleagues from the experiment stations. The scientists of the experiment stations have had a great part in providing the technology necessary for farmers of this Nation to make the great record that they have made.

In fact, we can say that appearing together, it is fitting, because the teamwork of research and extension, working with other agricultural agencies in a group, has played a great part in making the agriculture of America the greatest on earth.

The three-way partnership of Federal, State, and county in financing the extension service continues to be important. For the current fiscal year the Congress provided as payments to the States for the

Federal Extension Service requirements, $64,123,000. The States provided $53,583,000. And the counties provided $32,773,000.

Our funds provided within the States, which, to me is an indication of how the people in the counties and the States feel about the cooperative extension service, amount to $86,316,000.

You recall that the Congress did not increase Federal funds for the cooperative extension service to the States this past year with the exception of the retirement fund. States and many counties, however, did increase their appropriation.

States, on the State level, increased their appropriation for extension service, the largest in any single year, approximately $5 million. And we have urgently requested your committee to include in your recommendations for us this year a $6 million increase for the extension service for fiscal year 1961.

Our committee is here to support the request of the executive committee of the Land Grant College Association for $6 million increase in Federal funds for payments to States for the cooperative extension service.

We are also giving our support to the request of $150,120 for the Federal Extension Service. This is urgently needed, in our belief, to strengthen the services of the Federal Extension Services to the States.

Our State specialists for the extension service depend on the person in the Federal Extension Service in that area of specialization to keep in touch with all of the Federal agencies, with the research of the Agricultural Research Service of the Department of Agriculture, and keep a flow of that information going to our State people.

We have had more demands on the Federal Extension Service in recent years, I know, than any in the past 10 or 15 years.

As chairman of the Southern Extension Directors, we just recently had a request from business groups requesting that we ask for funds for the Federal Extension Service for a specialist here in the pesticide tolerance area. There is a great need for someone to give information to your States that we can use in this educational program.

There is also in my own area—there has been a tremendous pressure on us—and we have not asked for us—for a specialist on the Federal level in the field of peanuts.

Mr. Chairman and members of the committee, our extension legislative committee has made a study of the county extension agents' salaries over the Nation, because we have heard much discussion about them. Even though we have made improvement in recent years, our study shows that 22 States report that their No. 1 need is to increase salaries. So States have their salaries, they believe, in very excellent shape.

I know, in my own case, we were discussing the funds—State, Federal and county. In 1954, in Georgia, the average salary of county agents was $4,500. In this coming budget it will be $7,000 for each of our agents.

When you consider that, the standard of living that is expected of an extension worker—it is still low, but we have made improvements.

We believe that those States where salaries are too low—they should be able to use Federal funds or State or county funds to raise salaries this year.

Back a few years ago, when we received our greatest increased funds from your committee and the Congress for extension work, we were

obligated morally, we understood, to use approximately 85 percent of it for the employ of new personnel in the form of home development.

In my own State, I pleaded with the Department of Agriculture to let me use a larger percent for salaries, which we did.

Then, 2 years ago, the $3 million that was voted as an increase for the cooperative extension service, we used 92 percent of that for salaries of our extension personnel. And many States like my own used 100 percent for county extension agents of that fund.

I may say the needs as given in our States, other than salary, are rural development, farm and home development, marketing, and family living and 4–H Club work.

I would like for other members of the extension legislative committee to make brief statements in regard to these major needs. First, I am going to present them and let them follow in order.

Director Nesius of Kentucky, rural development; Director Albrecht of Pennsylvania, marketing; Director Anderson of Iowa, family living and 4-H Club work; and Director Rutford of Minnesota, farm and home development.

Mr. NESIUS. In our very close working relationship with the people, we have found a very genuine interest in more education in technical services. We found this to be true because families and communities are searching diligently for some way to improve their lot.

This, of course, is brought about by the population shifts and the resource shifts taking place by the people on the land. But we believe rural development has been very effective in most of the States in helping families in these communities to find some of the answers to their problems.

We find that this is the way in which the agencies are working together in meeting their particular needs. We recognize that there are differences as between States in the manner in which they carry out their rural development program.

Rural development has been a tremendous stimulus to the local people in that it has provided them a means of making many resources available to them as resources of public and private agencies.

It also has been a stimulus to the public and private agencies because it has provided them a means of working together and in taking the leadership of the people they were trying to serve.

This is true primarily because the families in these communities are better informed about the services that are available to them, and also they then have the means of requesting these services, and, lastly, that this gives direction to the services, themselves, in the way in which they can coordinate their own efforts so that they are going in the direction the people want them to go.

Now, farm-home development is a program that we have, and I would like to distinguish between it and rural development. Farm-home development is an extension program, and it is mainly concerned with the management of resources by families, under the control of individual families, whereas rural development is mainly concerned with the management of resources outside of the family that are available to the family, and not under the control of any particular family, but can only be under the control of a group of collective families.

We believe that we have taken rural development now out of the pilot stage, and we are ready to expand and to be able to join with

other agencies in expanding the concept of rural development in more communities in the country.

Thank you.

Mr. WHITTEN. Thank you, sir.

STATEMENT OF MR. SKULI RUTFORD

Mr. RUTFORD. The farm and home approach in the educational program of the Agricultural Extension Service is receiving constantly greater emphasis, largely because of the changes in farming and farm life brought about as a result of the greatly increased capital investment needed in present-day farming, the much increased cash costs of farming, and the near doubling of the cost of family living.

Success in farming under present conditions is no longer a matter of hard work and frugal living. Rather, it is a matter of management skill, careful planning, and steady decision making.

County Extension workers became involved in this field through the requests of farm people, particularly beginning farm families and families with limited capital and resources. Its program involves individual work with the family, setting up goals, assessing resources, and alternatives open to the family and then developing a specific plan of operation.

The object is to look at the whole farm business and develop a plan resulting in the largest possible net farm income, and to seek to achieve established family objectives.

Preliminary figures for 1959—and this is based upon an estimate of 1959 and an actual study of 1958—preliminary figures for 1959 indicate that some 140,000 farm families have been worked with up to date.

In a study of the program in 1958, 67,880 families were worked with in 2,250 counties in the country, or 73 percent of the counties doing Extension work.

Of the families worked with, about 20 percent had little previous contact with Extension. They were families that we really had to work a great deal with, with 12 percent being families just starting in farming.

Seventeen percent of the families reached a point during the year where they could go on without special assistance. They were carried probably a year or so, and were now going on, on their own.

While it was not a part of the rural development program, in our contact with individual farm families in the rural development areas we used the same method in order to try to work out for each family in that area a program that will make it possible for them to continue on the farm and stay in farming.

Wisconsin had 2,200 families enrolled and 822 were new families starting during the year. Another 1,130 taking part in the program were no longer officially enrolled. However, the records of this group indicated an average increase in cash income of about $1,000 per family, per year.

In a research project in Minnesota, carried on pretty much through the Extension Service, but with some research help, over a 5-year period, an average of $2,300 net income per family resulted.

What we did there, we picked families that were in trouble—this is before the rural development program really came on—we picked

families that were in trouble, but who seemed to be on a farm where there would be a potential.

The first year they merely kept records and the next 4 years they worked with them in upgrading their farming, and similar results in income per family resulted with those 12 families—$2,300 net income was achieved there.

In order to achieve these results, it has been necessary to add specialists in farm management to State staffs and to carry on an intensive training program for county workers. This training has been repeated for new workers annually and at the request of the Soil Conservation Service, FHA, vocational agriculture, we have given the same training to county workers so they could carry on in a somewhat similar area.

The program has been well received by these people, and the farm program seems to be in demand by farm families. The work involved, however, makes it time consuming, and the number of families that can be reached has its limitations.

However, it continues to be in demand and takes the time of county workers. So additional funds would make possible a larger program in this area, but even more important is some increase in salaries needed for experienced workers, because we have lost some to banks as they see how the program works out.

Thank you.

Mr. WHITTEN. You may proceed.

STATEMENT OF MR. M. A. ANDERSON

Mr. M. A. ANDERSON. Mr. Chairman, I would like to speak about family living and 4–H Club work, part of the regular program.

Extension's primary focus in its educational program is the family. As you gentlemen know well, the business of farming and family living on the farm is a most interdependent, often competing relationship, because choices have to be made between the income producing investment for the farm business, on the one hand, and more comfortable living arrangements in the home, on the other.

In our society the family is, and should be, the recipient of social and economic progress. This is in contrast to other forms of government.

And in the family the mother is the key member in most of the decisions.

County program development committees in my State reflect increasing demands for family living in five general areas: One in consumer education, which includes buymanship for food, clothing, equipment, consumer-producer understanding, and so forth.

The second is management of family finances, the use of time, money management, legal affairs, and so on.

The third area is in human relationships, children, family, work with the agents, and so on.

The fourth, community and public affairs, which includes safety, citizenship, civil defense work, conservation, and the traditional area of typical health; that of information and education on foods, nutrition, housing, clothes, and home furnishings.

Many have said that 4–H Club work is one of the world's most successful and significant youth movements. Over 2¼ million were

enrolled last year. In Iowa we have experienced a 40 percent increase in enrollment in the last 10 years, and if we are to get the same percentage in the next decade, our enrollment will increase another 35 percent.

At the same time, a higher percentage of boys and girls in both rural and urban areas are requesting opportunities in 4–H Club work. Even now our County Extension staff is spending more than one-third of its time in 4–H Club work, in this very worthwhile program.

Additional staff is needed to match the enthusiastic support and demand from local people in both 4–H Club work and family living.

Thank you.

Dr. SUTTON. That concludes our presentation.

Mr. WHITTEN. Dr. Sutton, thank you.

The subcommittee has listened with interest to the statements that have been presented.

You gentlemen have far more demands on you than you can meet, financial and otherwise. We are somewhat in the same situation here.

I think it would be well to put in the record at this point a table table which shows the increases for extension recommended by this committee since 1952.

(The table is as follows:)

Increases recommended by Committee on Appropriations, House of Representatives, for payments to State extension services

Fiscal year 1952	+$31, 502
Fiscal year 1955	3, 581, 950
Fiscal year 1956	5, 357, 500
Fiscal year 1957	5, 125, 000
Total	14, 095, 952

Mr. WHITTEN. I mention this because I think it should be mentioned. We, on this subcommittee, are all people interested in agriculture generally, and we think that the Extension Service has an effect on the whole of our program, and should have.

We believe in it very, very strongly. I think our actions through the years indicate that.

However, we have to recommend funds for all programs in the Department. As chairman of this subcommittee, I am sure I get all the requests, and most other members are approached on the same basis.

If I were to add together all the requests for increases that have been presented to me this year, the budget for the Department of Agriculture would be much larger.

Your problems, like ours, largely come from the inflation that we are facing. The Department of Agriculture, itself, has refused to recommend to this committee the increase that you folks would like to have. We on this subcommittee are, however, just the starting point, and whatever we may agree on is worth only what we can get through the whole Committee on Appropriations, and what we can get through the Congress.

In the last 7 years, I believe, the Extension Service has received about a 90-percent increase in appropriations for its various needs. State experiment stations have received a 150-percent increase. Every dollar of that has been over my name, since under the procedure here I happen to introduce the bill. It has been over the name of every member of this subcommittee.

Sometimes I feel that I would like to be able to come before this committee and testify for everything I think is needed, instead of being charged with getting it through.

I mention that, and it is a serious thing with me, because we believe in this work. Meetings have been held in a number of States, and I have had my colleagues from a number of States come in to me and tell me they attended meetings where county agents have said I was against them.

Now, I know that lots of county agents are not being told that the State extension service sets their salary. When we get these appropriations through, the State extension service sets the salary, but lots of county agents are not being told that. Further, some of the extension directors and State extension services have used the money Congress has given for things other than salary increases.

Now, I don't say that critically, because the demands for assistant agents, and rural development, and all these other things result in your not having enough to go around. So you have done the best you could. We have done the best we could, also.

And right now in this term of Congress, the House has turned down money to restore the capital impairment of Commodity Credit Corporation against our best efforts. That money is essential to supporting prices which, I think, is essential to protecting agriculture in this day and time.

But I mention that to reflect the atmosphere in which we are working. In other words, it is my knowledge, not my opinion, that we have to stay in line to get the necessary funds. The minute we get completely out of line, and the Congress learns we can't be trusted to hold the line to any degree, all of you will get a lot less than you have gotten with us playing this thing as best we know how, to get the most we can for you. And we have done that consistently.

When I talk to my county agents, I can point out these things. I know it. But the average Member of Congress who isn't close to this thing goes home and his county agents get after him about their salaries. He doesn't work with it, so he comes to me, "Why don't we do something about the salaries?"

Well, again, we have fought our way through Congress with a 90-percent increase since 1952 over my name in this bill. When I say "my," it happens to be because of my position. And when we do the best we can, I hate to see the county agents and extension directors fail to realize that. It is somethat like the man who was running for office. Another man was fighting him, and he said, "Why, I took care of his son when he got in trouble. I gave him a job and did this, that and the other." He went to his opponent and raised that point with him, and he said, "You ain't done nothing for me lately."

I mention this because it should be mentioned. I am for Extension because of its merits, because it is essential as the backbone of our whole system. I am for helping meet your problem as far as I can see any way to do so.

But it is better for me to recognize the problems and mention them, as against giving lip service and going out there for something that will get you cut back from what you already have.

I want to say for the record again—as chairman of this subcommittee some years ago, I had the Department prepare the bill which took the

ceiling off of your appropriations, and I don't have to make apologies to anybody for my interest in Extension.

I was in the 4–H Club work and I think it is a marvelous work. I think it is wonderful training for citizens in every walk of life.

Now, there are other things that disturb me. We had Mr. Ferguson put a statement in the record which shows that, out of 411,000 students of your colleges, only 31,000 are studying agriculture. It is most disturbing.

I think it is primarily because these young boys are smart and they can't see much future in agriculture.

I yield to the gentleman from Minnesota.

Mr. ANDERSEN. And I would be surprised that any man who knew the facts would even intimate that Jamie Whitten, our chairman, is for anything but the interests of extension. I don't think there is a man I know of in my 21 years in the House that has done anything more for agriculture than Jamie Whitten has.

If anybody says anything against him, that man is in error. He doesn't know what he is talking about. He is speaking in ignorance.

The chairman has just put the facts right on the table. After all, gentlemen, we want to be as generous as possible. Take our own children, for example. Much as we want to be generous with them, we can be generous only up to a certain point. That is the way this committee can be relative to the various agencies that come to us for allocation of funds.

I want to say again, no man in the Congress has done more than Jamie Whitten has—I say that from the bottom of my heart—for the extension program of America.

Mr. WHITTEN. I want to say this has been a committee effort. Of course, you are familiar with the efforts made all through the years. But the evidence is what we end up with in your bill. It is not what we take to the floor and have cut out. If we raise the agricultural budget with everybody raising questions about what we are spending about agriculture, what kind of situation are we in when we get to the floor?

If we don't raise the overall budget in recognition of what we are up against, and if we give you this increase, then we have got to cut some other activity. Now, would you all come back and help me explain it to the folks that we might cut as to how we decided to place it on them?

Now, that is for the purpose of giving you some appreciation of the problem. We are just in the same fix that you are when these county agents come to you and ask you to raise their salary and you have to say, "We are sorry, we just haven't got the money."

We haven't got any money ourselves. We have to justify our actions and sell them. There is no personal feeling about this. There is a disappointment because of my interest in extension. I have heard from quite a number of Members of Congress who have been invited to the county agents' meetings and who have come back to me. They, in turn, have said, "Jamie Whitten has been chairman of the committee that has gotten you any increases you have."

And county agents in some States haven't known of these increases, because the State extension services apparently didn't tell them. They apparently used it for what they considered more important purposes at the moment. And I can't second-guess them. But the

county agents are the basis for getting lots of this money. Yet the county agents in many States have been kind of the forgotten man.

Dr. SUTTON. I would like to say I know the other directors are with me in saying we are very sorry that apparently some of the county agents have had misunderstandings. Out of 3,000 counties, I can understand some of them not knowing all the facts.

But I, as director of Georgia, and I believe other directors also, will take full responsibility with the presidents of our institutions in setting the salaries of our county extension personnel.

However, the only way we can set it is when we receive county, State and our Federal funds. In my own State, since 1954, we have had increases from our State each year. Much of the new personnel that shows up in my State came earmarked through our own State funds where the poultry group or livestock group were asking for specialists. Every single one of them—we have talked about this and, naturally, every director, I know, has tried to conscientiously use the Federal funds with the intent for which they were appropriated.

As I said earlier, some of the funds that came to us, we understood 85 percent would go for new personnel. Two years ago the total amount was to go for salary adjustments.

We do appreciate the leadership that this committee, your committee, has given, not only to the land grant colleges, experiment stations and extension, but to the total field of agriculture.

But we have come before you a few times when the Bureau of the Budget did not have an increase requested for us. This year we come before you where there is a requested increase from the Bureau of the Budget. And we are very hopeful that this committee can originate the request for some increase for the cooperative extension service and experiment stations.

We feel to keep the partnership going strongly between Federal, State and county, that is important. The president of my own institution has talked to me about the balance of the funds, so far as the cooperative extension service is concerned, because it is cooperative.

It is a child of this Congress, and we are completely dependent upon the leadership of the Congress, and certainly the leadership originates with you, Mr. Chairman, and your committee, and you recognize that, we appreciate.

Mr. WHITTEN. Dr. Sutton, thank you. I want to say here we have the highest regard for the Land Grant College Association. As far as we know, you have done the best you could.

I was just trying to get over to you that we have to do the best we can. And we will in this instance do everything that we can find any way to do for the Extension Service. But judge us by the bill as finally passed, instead of by whether we lead with our right and get your appropriation cut. What you already have is not automatic in the nature of things. So, whatever we put in here, we have got to fight the gantlet through the Appropriations Committee, and through the House, and through the Senate.

So I am just saying let's do the best we can, and judge the matter by the end bill. Again, we have a wonderful land grant college in my State. We have a fine director of extension. And I haven't any more problems than he has.

There just isn't enough to go around to meet all the needs, either in personnel, or finances. I give you full credit for doing the best you can. We do likewise.

Mr. MARSHALL. Mr. Chairman, I would like to make one comment at this time. It gives me a great deal of pleasure to have in the group representing the Extension Service my old friend Skuli Rutford.

I have known Rutford for a long time, and I want to say that I have had the opportunity since being in Congress in the company of Mr. Rutford viewing the work, done in Minnesota. I am very proud of that work. I am proud to have our State represented by the director of extension, who to my mind is greatly respected in Minnesota for the fine work he is doing. He sets a fine example: a fine man, a fine administrator, and a fine American.

Mr. ANDERSEN. Mr. Marshall, will you permit me to second everything you said about Mr. Rutford. He typifies the outstanding personnel we have throughout extension in Minnesota.

Mr. NATCHER. Mr. Chairman, I want to join with you in commending Mr. Sutton, and my good friend, E. J. Nesius, and all of you other fine gentlemen, for your appearance before our committee at this time.

Mr. Chairman, in my home State of Kentucky, we have fine extension agents. My friend, E. J. Nesius is an able man and he has the happy facility of being able to get along with anyone at any time. I think my district is a right good example of the fine work that you gentlemen are doing throughout the United States.

As my good friend, Mr. Nesius, will tell you, each year my district wins nearly all of the awards. We have the Outstanding Farmer of Kentucky, the Young Farmer, 4–H Club winners, the soil essay contest essay winners, Future Farmers of America, and the Future Homemakers.

We win these awards, Mr. Chairman, by virtue of the fine Extension Service in Kentucky. It is due to the work of my friend, E. J. Nesius, Frank Welsh, and all of the extension agents, 4–H Club leaders, vocational agricultural teachers, and all others connected with agriculture.

My chairman, Mr. Whitten, is a right good friend of extension. You know, I have served on this committee with him for 6 years.

Mr. Whitten is one of the great men in the Congress of the United States, and I say that to you advisedly. And the same thing applies to my friends on my left, all the way down, and my good friend, Mr. Santangelo of New York.

Gentlemen, we appreciate your appearing before us at this time. Thank you, Mr. Chairman.

Mr. WHITTEN. Thank you, Mr. Natcher.

Mr. Santangelo?

Mr. SANTANGELO. Coming as I do, Mr. Chairman, from an urban area, I don't come across some of the activities of the work of the Extension Service, and the land grant colleges, but, Mr. Chairman, you know that when we were in Finland we saw some of the tangible results of the 4–H Clubs when we saw some young ladies from Mississippi working and studying on the farms in Finland.

I was impressed by what these programs were doing throughout the world, and the contribution that this program was making toward a better relationship between the peoples of Europe and the people of this country. And so I appreciated this program to the extent that I knew about it.

But I also associate myself with my colleague from Kentucky as to the worth and the value of the chairman, because I have received a broad education in the field of agriculture listening to my chairman.

Mr. WHITTEN. Thank you, Mr. Santangelo.

Any further questions at this time?

Mr. ANDERSEN. Just one final comment on my part, Mr. Chairman.

We have before us a group of men representing extension and the experiment stations, who exemplify all that is best in agriculture. My own experience with this great work of extension goes back 41 years ago this spring when I helped a couple of boys get their 4–H calves out of my Angus herd which I was developing at that time.

This entire subcommittee feels, I am sure, that here is the heart and soul, really, of agriculture. Were it not for what you gentlemen are doing, we could not look to the future of agriculture with the confidence we do.

Off the record.

(Discussion off the record.)

Mr. HORAN. On the record. I do want to reiterate what our chairman has said. We are rather overwhelmed by the turn of events, the obligations piling up on every hand in the name of agriculture.

Now it is not the fault of the Extension Service. But the total sum that we have to grapple with and make some disposition of before this subcommittee is right in the neighborhood of $6 billion. We are grappling right now with a small item of about $481 million a year for storage on surplus commodities. We are not asking the Extension Service to solve this. You can help.

But we have tremendous demands upon us, and it is something that bothers us because, frankly, the legislative committees and politicians propose, but comes the fatal day when this subcommittee has to dispose of the bill, and Mr. Whitten, in the name of this subcommittee, has to sign the check for these things. And we would like to stay within our budget.

Now I do want to say this. I think the matter of salaries should be not only a State right. It ought to be a State responsibility. It is a little bit different, I think, in the Extension Service because it is a joint activity. We recognize that.

But we have before us a proposal, and I do think that when we have any aid-to-education bill, we will have a proposition of just who is responsible for teachers' salaries.

Frankly, I am already on record with my State educational association as being opposed to that approach; that it should be a State and local responsibility.

Now I say that with the full knowledge that these funds are given to you. You can do with them as you please. But I don't think we should get into the quagmires of having Congress do it.

Dr. Sutton surprised me, he coming from Georgia, that you wouldn't see that right off the bat.

Dr. SUTTON. This has been a three-way program down through the years, and it requires support from the county, State and Federal Governments, if we are going to have this type of Extension Service, because each one of the employees has Federal appointments from the Department of Agriculture, appointments from the State universities, and then in the county, from the board of commissioners.

So it makes it a three-way partnership. It takes three-way financing to make it strong.

Mr. HORAN. That is right, but the responsibilities of those things which should be a State responsibility should reside in the State; not with the Congress.

Dr. SUTTON. I think you will find, if you look in my statement, the increase which I mentioned for the State personnel is primarily State funds, with the exception of 2 years ago when we had Federal funds.

Mr. HORAN. The responsibility should reside with you.

I think we put the charts of the salaries by States in the record this time?

We have in the past, and I can only repeat I am afraid we are getting into rather unsound ground if we look at it any other way, and, believe me, I am one of those that, while I haven't talked to Mr. Smith recently, I have seen the great work of our county extension men in my district, and I am very proud of the work that is being done in my home county.

It is valuable and the techniques they are developing probably came from elsewhere in the Nation, but they are doing a good job, and I want to say that we have a young man from Arkansas who is county agent in my one rural development county, and he is doing an excellent job.

What we have said here is not by way of criticism. It is by way of what might be an intelligent approach to the problem that this subcommittee has, and this financial thing that we are into now is disturbing to all of us, and I say that as the chairman has already brought out in the name of the good of agriculture everywhere.

If we could do away with that $481 million for storage on surplus commodities right now, we would have some leeway, but they have put our nose right to the grindstone and we can't get it away from it.

Mr. WHITTEN. We might now turn to the representatives of the State experiment stations.

Agricultural Experiment Stations of Land-Grant Colleges and State Universities

WITNESSES

M. A. FARRELL, DIRECTOR OF THE PENNSYLVANIA AGRICULTURAL EXPERIMENT STATION AND CHAIRMAN OF THE LEGISLATIVE SUBCOMMITTEE OF THE EXPERIMENT STATIONS' SECTION OF THE ASSOCIATION OF LAND-GRANT COLLEGES AND STATE UNIVERSITIES
M.T. BUCHANAN, DIRECTOR, WASHINGTON AGRICULTURAL EXPERIMENT STATION
L. E. HAWKINS, DIRECTOR, OKLAHOMA AGRICULTURAL EXPERIMENT STATION
L. M. TURK, DIRECTOR, MICHIGAN STATE AGRICULTURAL EXPERIMENT STATION
C. C. MURRAY, DEAN OF THE COLLEGE OF AGRICULTURE, UNIVERSITY OF GEORGIA
D. W. THORNE, DIRECTOR, UTAH AGRICULTURAL EXPERIMENT STATION
N. J. VOLK, DIRECTOR, PURDUE UNIVERSITY AGRICULTURAL EXPERIMENT STATION
DR. J. G. HORSFALL, DIRECTOR, CONNECTICUT AGRICULTURAL EXPERIMENT STATION
R. H. WESTVELD, DIRECTOR, MISSOURI
R. J. PRESTON, DEAN, NORTH CAROLINA
F. H. KAUFFERT, DEAN, MINNESOTA

Mr. Farrell. Mr. Whitten and members of the subcommittee, we appreciate this opportunity to meet with you today, and we are very glad to be here with our colleagues from extension.

As Director Sutton has said, extension and research at our land grant institutions are intimately related, and one has no substance without the other.

Mr. Chairman, I have a statement here which you may wish to put into the record.

Mr. Whitten. We will be glad to have it in the record as you may wish.

Mr. Farrell. I will hit the highlights and the forepart of it which is our main thesis and skip fairly hastily over the latter part.

It has a dozen or more tables, and I think we can look at it together.

I will start on page 2 with the purpose of the meeting.

Purpose of the Meeting

We are appearing before you today to justify a recommendation of the Experiment Station Section and Executive Committee of the Association of Land-Grant Colleges and State Universities that the 53 agricultural experiment stations of our Nation be granted an increase of $14 million for fiscal year 1961. We are aware that the President's budget proposes an increase of only $1 million in place of the $14 million requested. However, the need for additional research in agriculture today is just as pressing as in any other segment of our economy and we appreciate this opportunity to present our case to you.

The legislative committee appreciates the statement contained in Chairman Whitten's Report No. 365 to the House of Representatives in which his committee recommended that the Department give consideration to the possibility of further increases in appropriation to the State stations in the 1961 budget.

The committee is, I am sure, fully aware of the fact that much of the expansion and strengthening of research at the State agricultural experiment stations during the past 10 years was made possible by enactment of the Research and Marketing Act of 1946. It is significant to note, however, that the specific increase of $20 million in annual Federal-grant payments to State experiment stations, authorized to be attained by fiscal year 1951, was, in fact, not achieved until fiscal year 1957. Increases obtained since 1957 under the open-end authorization total only about $2 million annually, an amount far short of the increases in the cost of conducting research under the grant fund program over that period.

AREAS OF RESEARCH FOR EXPLORATION

The recommendation to request additional Federal-grant funds in the amount of $14 million is based on the need to expand research in forestry, pesticide chemicals, basic research, marketing, and soil and water conservation.

Forestry research is an area requiring substantial additional support. The rising demand for wood is requiring increased productivity of forest lands. Forest practices are related closely to the productivity of soils. There also is increasing recognition that, in general, farm woodlots and the genetics of forest trees have not received adequate attention. The relation of forested areas to soil and water conservation and the eventual necessity of using certain farm woodlot areas for food production are all interrelated problems. The initial control of our water supply rests with landowners. Research in watershed and range management offer possibilities of manipulating the vegetative cover to increase the supply of available water for uses such as irrigation, municipal water supplies or by industry. Land-grant institutions already have established the related disciplines such as forest pathology, forest entomology, forest soils, et cetera, which are necessary adjuncts to an expanded research program in forestry.

The economic value of basic research in agriculture has been demonstrated again and again. While this type of research does not promise immediate and profitable results, yet it has frequently led to the development of new products with subsequent strengthening of both the agricultural and total economy. But, basic research needs no justification in that its findings add to the reservoir of knowledge from which future scholars may draw for the betterment of mankind. The agricultural experiment stations of the country will allocate an increasing percentage of their efforts to basic research with such additional funds in order to increase our storehouse of basic knowledge.

In view of the fact that additional grant funds will require 20 percent being used for marketing research, it is anticipated that additional marketing and utilization research dealing with the products of forest and farm will be undertaken.

The most precious resources of our country are our people, our soil, and our water. Sound programs for improvement of conservation

and tillage practices depend upon measurement and interpretation of soil structure and soil-water relationships. The need for proper use and conservation of these two resources becomes more evident each year with the greater demands that are being placed on available land and water. It is recognized that there is an urgent need to expand soil and water conservation research. Such expansion can be done best at the agricultural experiment stations, which can call upon scientists trained in many different disciplines. Those working in the area of soil and water conservation would unquestionably benefit a great deal from close association with these scientists and could draw effectively on their special talents and knowledge. The proposed enlarged program of soil and water conservation research will be greatly enhanced by teamwork among soil scientists, crop scientists, biologists, physicists, engineers, livestock scientists, foresters, conservationists, economists, and similarly related personnel.

I think you can see from the first three items on this table—marketing and utilization, forestry, and soil and water use and conservation—that these three items are receiving emphasis and total about 80 percent of the total increase.

(The table referred to follows:)

TABLE 1.—*Proposed use of requested increase in Federal-grant funds in the fiscal year ending June 30, 1961*

	$14,000,000	
	Dollars	Percentage
Marketing and utilization	$1,542,000	15.3
Forestry	3,346,000	33.2
Soil and water use and conservation	3,256,000	32.3
Livestock and poultry	474,000	4.7
Plant diseases and insects	202,000	2.0
Horticultural crops	252,000	2.5
Farm economics and adjustment	202,000	2.0
Grass and forage crops	181,000	1.8
Animal diseases	222,000	2.2
Farm mechanization and structures	141,000	1.4
Foods, human nutrition and home economics	151,000	1.5
Field crops	111,000	1.1
Subtotal	10,080,000	100.0
Regional research fund	3,500,000	
Administration	420,000	
Total	14,000,000	100.0

Mr. FARRELL. Going over to page 6, we come to, "Historical Perspective of Congressional Support of Research at the 53 Agricultural Experiment Stations."

May I brief this a little bit and merely drop down to the fifth line from the bottom where I say:

Beginning with an initial appropriation of $720,000 in 1887, the subsequent appropriations of Congress have, over the past 73 years, reached a total of $31.8 million for 53 experiment stations. This sum is allocated to the 53 agricultural experiment stations for fiscal year 1960 as shown in table 2.

(The table referred to follows:)

TABLE 2.—*The distribution of Federal-grant funds to the 53 agricultural experiment stations for 1959–60—Payments to States and Puerto Rico, fiscal year 1959*

Alabama	$701, 993	Nevada	$196, 947
Alaska	198, 093	New Hampshire	232, 040
Arizona	255, 682	New Jersey	316, 631
Arkansas	590, 803	New Mexico	270, 380
California	664, 897	New York	674, 413
Colorado	312, 306	North Carolina	959, 622
Connecticut	271, 674	North Dakota	323, 018
Delaware	210, 306	Ohio	779, 600
Florida	395, 364	Oklahoma	505, 668
Georgia	730, 367	Oregon	352, 872
Hawaii	237, 835	Pennsylvania	857, 357
Idaho	278, 286	Puerto Rico	660, 885
Illinois	690, 170	Rhode Island	205, 537
Indiana	602, 963	South Carolina	574, 079
Iowa	605, 310	South Dakota	320, 606
Kansas	447, 413	Tennessee	732, 709
Kentucky	725, 228	Texas	975, 292
Louisiana	519, 667	Utah	243, 946
Maine	286, 518	Vermont	242, 360
Maryland	345, 414	Virginia	648, 598
Massachusetts	322, 760	Washington	392, 890
Michigan	657, 836	West Virginia	495, 888
Minnesota	586, 625	Wisconsin	598, 286
Mississippi	710, 856	Wyoming	220, 534
Missouri	646, 550		
Montana	271, 263	Subtotal	24, 445, 708
Nebraska	399, 571		
Regional research fund			5, 900, 000
Administration			708, 000
Payments authorized for Marketing Research sec. 204(b), Agricultural Marketing Act			500, 000
Subtotal			31, 553, 708
Penalty mail: Reimbursement to Post Office Department for penalty mail costs of State experiment station directors			250, 000
Grand total			31, 803, 708

Mr. FARRELL. Recognizing our total needs for research dollars in all areas of our economy, $38 million does not seem like a particularly large sum after 75 years of effort when you consider that the National Science Foundation, with relatively a span of less than 10 years, are up to $150 million, Health, Education, and Welfare is up to $400 million, the Atomic Energy Commission is up to $700 million.

Going over to page 8, "Support of existing Federal-grant program," I say the following:

Recent years have seen increasing competition for the education dollar at colleges and universities.

I think, Mr. Horan, that will speak a little bit to the point you were making.

Many administrators feel that rising costs (salaries, wages, and other operating costs) should be derived from the same source which provides funds for various programs. In the case of the Federal-grant program the law requires that the major share of these funds be matched dollar for dollar. As is evident in table 8 which we will come to later, the States not only match the Federal-grant funds dollar for dollar, but provide 3½ State dollars for each Federal-grant dollar.

It is suggested that Congress should recognize and provide additional funds annually to meet the rising costs of the Federal-grant programs at the 53 agricultural experiment stations. These funds

would not be used for new research but would be used entirely to support adequately the present program. How much would be required annually for such support? To answer this question table 3 shows that the 9-year salary increase for all academic ranks at colleges and universities was 58.7 percent, or an average of 6.5 percent annually. Records of expenditures of Federal-grant funds show that on the average 80 percent of the total is expended for salaries and wages.

This has remained fairly constant over the past 10 years, this percent of the total.

Eighty percent of the total Federal-grant funds as listed in table 2 is about $1,653,793, which is the sum that would be required to provide annual salary increases to continue the present program.

The cost of feed, fertilizers, other supplies and materials, printing, transportation, seeds, and so forth, is estimated to have increased at least 3.5 percent per year over the last 10-year period. Since 20 percent or $7.62 million of the total shown in table 2 is used for this purpose, the annual increase required to meet these rising costs in the existing program would be a little better than $222,626.

The next shows salary data that has been obtained. It was obtained from the Office of Education—Health, Education, and Welfare—and you will see in the lower right-hand corner this figure of 58.7 which was the total increase for all ranks from deans down through instructors for a 9-year period, and this works out to an annual increase of 6½ percent.

(The table referred to follows:)

TABLE 3.—*Differences in median salary for college professors on 11- to 12-month appointments, 1949–50 and 1958–59*

Rank	1949–50 [1]	1958–59 [2]	Difference	Percent difference
Deans	$7,779	$12,670	$4,891	+62.9
Professors	6,569	10,110	3,541	+54.0
Associate professors	5,338	8,160	2,822	+52.7
Assistant professors	4,575	6,980	2,405	+52.6
Instructors	3,707	5,730	2,023	+54.6
All ranks	5,168	8,200	3,032	+58.7

[1] Based upon salaries of 26,454 full-time faculty members in 51 land-grant institutions. Does not include 17 land-grant institutions for Negroes. Circular 283, Federal Security Agency, "Faculty Salaries in Land-Grant Colleges and Universities, 1949–50," Office of Education, Washington, D.C.

[2] Based upon salaries of 25,012 full-time faculty members in approximately 66 universities. University was defined to include institutions which provide graduate instruction and research, confer advanced degrees in a variety of liberal arts fields, and have at least 2 professional schools not exclusively technological. Circular 549, Office of Education, "Higher Education Planning and Management Data, 1958–59," Department of Health, Education and Welfare, Washington, D.C.

Mr. FARRELL. Table 4 brings these two factors together, and shows that on the amount of a total of $31.8 million allocated to the 53 experimental stations, a little more than $25 million, or 80 percent, is used for salaries and wages; 6½ percent of this each year would be a little more than $1,653,000, and the balance used for other operating expenses, 3½ percent of this little more than $6 million, comes to $220,000 a year, or a total of $1,876,000 that is required to meet the rising cost of the present program.

TABLE 4.—*Additional Federal-grant funds required annually to support the existing program*

Use	Federal-grant funds	Average annual percent increase	Required to meet annual increases	Total annual increases required
For salaries and wages	$25,442,966	6.5	$1,653,793	$1,876,419
For other operating expenses	6,360,741	3.5	222,626	

Mr. FARRELL. Federal-grant funds-appropriations over the past 13 years are shown in table 5.

(The table referred to follows:)

TABLE 5.—*Federal-grant funds appropriated to the 53 agricultural experiment stations over the period 1948 to 1960*

Fiscal year	Increase requested by experiment stations	Increase appropriated	Fiscal year	Increase requested by experiment stations	Increase appropriated
1948	$5,000,000	$2,500,000	1955	$7,500,000	$5,500,000
1949	7,500,000	750,000	1956	8,500,000	5,300,000
1950	7,500,000	1,750,000	1957	6,000,000	4,750,000
1951	5,000,000		1958	6,000,000	850,000
1952	5,000,000		1959	6,000,000	1,200,000
1953	10,000,000		1960	6,000,000	0
1954	7,500,000	1,000,000			

HOW INCREASES WERE SPENT

Mr. FARRELL. Twelve broad categories of research are used for convenience in classifying projects at the 53 agricultural experiment stations. Table 6 lists these categories and shows how Federal-grant and non-Federal increases were used in 1949–59. This table shows the total dollar expenditure in each category as well as the percentage range of expenditures by categories over the 11-year period.

I would merely comment looking at the right hand column that under the Research and Marketing Act of 1946 which specified a total increment of $20 million to the experiment stations by 1951, that this sum was not achieved until 1957.

I wonder a little bit, too, since the authorization under this bill has been completed and we are now working with an open end authorization, whether a presentation such as just has been made might not be useful in working out future allocations for research. In other words, we have tried to spell out what we think the program requires just to meet rising costs or inflation. We have tried to indicate that to initiate new research and do it efficiently at the 53 different experiment stations, another sum should be considered. How the increases were spent over this 17-year period are shown on page 13 and these are the regular 12 categories that I used for classifying our research efforts and it shows the total amount of $21 million obtained for Federal grants during that time and the $68 million obtained from non-Federal sources and the percentage allocation in the 12 categories.

(The table referred to follows:)

TABLE 6.—*Distribution of total Federal-grant and total non-Federal increases at the State agricultural experiment stations, 1949–59*

	Federal grant		Non-Federal	
	1949–59	Percentage range	1949–59	Percentage range
Agriculture economics and rural life studies	$1,427,000	5.8– 7.7	$2,268,500	2.3– 3.7
Marketing	2,881,000	10.8–19.7	2,423,000	2.2– 4.1
Utilization	956,000	.8– 7.5	2,959,000	3.4– 4.8
Agricultural engineering	990,000	4.0– 5.2	2,900,000	3.8– 4.8
Animal science	4,725,000	21.5–23.9	20,116,000	28.2–30.6
Field crops	2,913,000	11.7–15.5	10,710,000	14.6–16.8
Horticultural crops	1,193,000	4.8– 7.1	8,600,000	11.5–14.8
Farm forestry	182,000	.7– 1.1	875,600	1.1– 1.5
Genetics			771,000	1.1– 1.6
Soil and plant nutrition	1,938,000	7.9– 9.5	6,195,000	7.8– 9.7
Botany and plant pathology	1,249,000	4.8– 6.6	4,683,000	6.3– 7.1
Entomology and zoology	1,161,000	4.9– 5.9	4,725,000	6.5– 7.1
Home economics and human nutrition	1,485,000	4.7–10.8	1,619,000	1.8– 3.7
Total	21,100,000		68,845,100	

NOTE.—Expenditures for fiscal year 1960 are not yet available.

Mr. FARRELL. It can be noted in table 6 that increases have been equitably distributed among all areas, although the more expensive areas such as marketing, animal science, and field crops received larger allocations. The actual annual percentages of that portion of the Federal-grant subject to the 20 percent for marketing requirements which was spent for marketing for the 11-year period ranged from 22.6 to 27.6 percent.

On page 14 you will note the non-Federal fund increases over the past, over the 1948–60 period.

(The table referred to follows:)

TABLE 7.—*Increases in non-Federal funds, 1948–60*

Fiscal year	Increase appropriated by States	Fiscal year	Increase appropriated by States
1948	$7,650,000	1955	$4,952,000
1949	4,954,000	1956	4,070,000
1950	4,900,000	1957	8,130,000
1951	5,767,000	1958	12,590,000
1952	5,912,000	1959	7,138,000
1953	5,087,000	1960	[1] 3,800,000
1954	5,234,000		

[1] Estimated.

Mr. FARRELL. During this time the States provided an additional $80 million and the Federal grant funds provided $21.8 million, or a sum of $58.2 million in favor of State appropriations.

On page 15 we show the ratio of State-to-Federal dollars and I think the column over on the extreme right indicates what the ratio has been over the years.

(The table referred to follows:)

TABLE 8.—*State agricultural experiment stations, supporting funds for operations, fiscal years ending June 30, 1946–60*

[Dollar amounts in thousands]

Year	State	Federal	Total	Ratio, State to Federal dollars	Year	State	Federal	Total	Ratio, State to Federal dollars
1946	$20,787	$7,206	$27,993	2.9:1	1954	$67,205	$13,722	$80,927	4.9:1
1947	27,700	7,206	34,906	3.8:1	1955	72,158	19,454	91,612	3.7:1
1948	35,350	9,706	45,056	3.6:1	1956	76,233	24,754	100,987	3.1:1
1949	40,305	10,719	51,024	3.8:1	1957	84,368	29,754	114,112	2.8:1
1950	45,205	12,698	57,903	3.6:1	1958	94,958	30,604	127,562	3.2:1
1951	50,972	12,716	63,688	4.0:1	1959	104,196	31,804	135,029	3.3:1
1952	56,884	12,670	69,554	4.5:1	1960	108,000	31,804	145,804	3.4:1
1953	61,971	12,696	74,667	4.9:1					

Mr. FARRELL. For example, we will see that for the last 3 years the percentage has been over 3 percent. We think that this is a good investment in that the Federal Government gets $4.50 of research for only $1 of Federal money provided.

In addition, the land-grant institutions in each State provide offices for personnel—laboratories, barns, for dairy cattle, beef cattle, and sheep; greenhouses; poultry and swine plants; land, and utilities which run into many million dollars annually.

On pages 16, 17, and 18, we have a statement about regional research.

(The matter referred to follows:)

REGIONAL RESEARCH

The Congress in passing the Research and Marketing Act of 1946 provided that 25 percent of the funds might be used for regional research. In such regional research, two or more States tackle an important problem of the region cooperatively. This regional research is supported in part with these regional funds and also with station Federal-grant funds as well as with State funds. Table 9 is of interest in showing the support of regional research with other funds.

TABLE 9.—*Summary of expenditures for cooperative regional research projects by sources of funds, 1948 through 1959*

Fiscal year	Regional research funds	Other Federal-grant funds	Non-Federal funds	Total
1948	$422,156.60	$433,252.09	$493,888.08	$1,349,296.77
1949	822,800.86	1,004,033.42	1,289,136.05	3,115,970.33
1950	1,161,627.81	1,418,955.46	1,782,058.00	4,362,681.27
1951	1,292,350.05	1,699,757.56	2,195,861.00	5,187,968.61
1952	1,453,844.72	1,733,561.77	2,464,664.80	5,652,071.29
1953	1,239,678.35	1,703,327.76	2,797,610.45	5,740,616.56
1954	1,481,814.36	1,822,249.68	2,865,923.11	6,169,987.15
1955	2,819,134.15	2,758,149.73	3,455,524.81	9,032,808.69
1956	4,176,328.87	3,733,472.86	4,383,150.13	12,292,951.86
1957	5,351,304.65	4,682,726.64	5,244,696.64	15,278,727.93
1958	5,581,074.00	4,797,416.84	5,684,979.02	16,063,469.86
1959	5,882,867.86	4,787,182.50	6,393,297.36	17,063,347.72
Total	31,684,982.28	30,574,126.31	39,050,789.45	101,309,898.04
Percent	31.3	30.2	38.5	100

I would like to direct your attention to the supporting funds for regional research at the bottom of table 9. It can be seen from these funds that regional research funds alone support less than one-third of the cost of regional research.

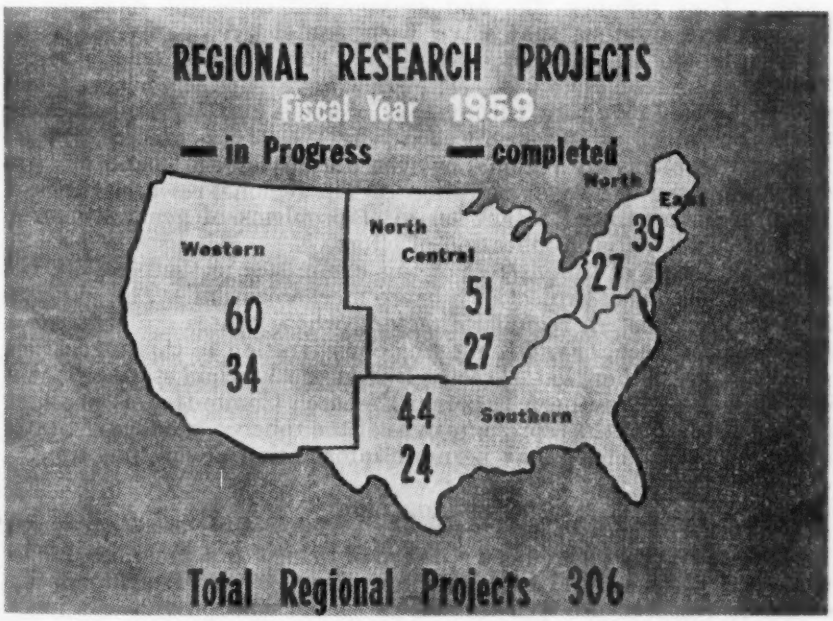
Table 10 shows the source of funds for regional research on one regional project in fiscal 1959.

TABLE 10.—*S–10 "Improvement of beef cattle for the southern region through breeding methods"*

Cooperating experiment stations	Regional research funds	Hatch funds	Non-Federal funds	Total
Alabama	12,240.00	15,232.25		27,472.25
Arkansas	11,000.00	7,457.06	64,712.51	83,187.57
Florida	7,988.32	300.00	8,000.00	16,288.32
Georgia	5,500.00		12,083.32	17,583.32
Kentucky	9,300.00			9,300.00
Louisiana	6,000.00	15,000.00	30,000.00	51,000.00
Mississippi	8,000.00	4,839.93	10,000.00	22,839.93
North Carolina	9,350.00		2,880.00	12,230.00
South Carolina		1,000.00	1,666.34	2,666.34
Tennessee	12,000.00	17,413.06	38,939.35	68,352.41
Texas	10,000.00	24,411.72	82,000.00	116,411.72
Virginia	6,000.00			6,000.00
Maryland		6,657.09	12,239.17	18,896.26
West Virginia		9,728.67		9,728.67
Total	97,378.32	102,057.78	262,520.69	461,956.79

It can be seen from table 10 that while the project is supported with $97,378 of regional funds, the total expended was $461,957. The difference between these two figures was made up of $102,058 of Hatch funds and $262,521 of State funds.

Chart No. 1 presents the total regional research picture from its inception up to fiscal year 1959. It shows that out of a total of 306 regional research projects, 112 have been completed or revised.



Mr. FARRELL. Mr. Chairman, this has become increasingly important over the years. You will recall that the Research and Marketing Act specifies that 25 percent of any allocation must be spent for regional research. This has been done and in addition probably another 30 percent of the same Hatch money has been used for regional research.

If we look at table 9 on page 16, and go down to the bottom of the table where it says, "Total," you will note over at the extreme right that over the period from 1948 to 1959 there has been spent $101 million for all regional research. The regional research funds themselves had provided $31 million of this or 31 percent. Other Federal grant funds or Hatch funds have provided another $30 million or 30 percent and non-Federal funds have provided a larger third share, or $39 million or 38.5 percent.

To go on to page 17, table 10, as we say, there have been over 300 of these regional research projects since 1946, and page 17 shows you a little bit what one of these looks like. It is S–10, "Improvement of beef cattle for the southern region through breeding methods."

You will note that this cost, the lower right hand figure again, is $461,000, of which $97,000 was provided by regional research funds, $102,000 more by Hatch funds, and over $262,000 for non-Federal funds.

You may wonder why South Carolina didn't participate in this project. This is optional with the States. When they meet and decide on these projects, they determine whether they want to participate or not and how much of their own funds they will contribute in support of the contributing project.

On page 18, this is interesting in passing. It shows the total regional research projects that have been in effect over the past 12 years. They number 306, and as you will note, the dark figures indicate the number that have been completed or revised. The western region has completed 34. They now have 60 on the books. The South has completed 24. They now have 44 on the books. This means probably quite a turnover in projects at the State stations, perhaps as much as 10 percent each year.

Many problems are regional or even national in scope and must be studied under a variety of conditions. The regional research program provides an organized attack on vital problems of general concern without nonessential duplication of effort.

We are aware of the interest of this committee in the possibility of initiating a regional project of tobacco mechanization. The southern and the northeastern regional directors, whose States are engaged in producing tobacco, have been giving consideration to this suggestion.

I may say further that Director Bell of the Virginia station, who is in charge of the Southern Regional Research Committee, is planning a meeting of all of the representatives of the tobacco producing States early in April. There may be more information about that time.

RISING COSTS

The last 10 years have been a period of rising costs, including higher personnel costs as well as higher operating costs. The foundation stones in research are well-trained personnel who provide the ideas, the ingenuity, the perseverance, and all-around know-how in understanding the solution of our agricultural problems. It is estimated that experiment station salaries increased 20 percent on the average for the 3-year period July 1, 1957, and June 30, 1960. Over the same period of time the Federal grants to experiment stations increased only 6.9 percent. Your attention is called to the fact that during the last 3 years the increases in Federal grant funds have not been suffi-

cient to meet the rising costs of the going program, nor adequate to initiate any new research. Since salary increases have not been adequately provided for in the last 3 years through increases in Federal grant funds, it has necessitated that salary increases for personnel supported with Federal grant funds be made with State funds. This situation has resulted in less being achieved with State dollars than was expected.

Salaries of experiment station personnel are not competitive with industry, evident when offers received by experiment station personnel from industry are usually 30 to 100 percent more than such personnel are receiving. Table 11 shows a comparison of experiment station salaries with those of U.S. civil service.

Table 11 also shows that the average salary rate for experiment station personnel for the five ranks is near or lower than the beginning salary in the comparable U.S. civil service rate. This difference occurs because the lowest salaries for experiment station personnel for each of these ranks is $2,000 to $3,000 less than the beginning salaries for comparable U.S. civil service ranks.

TABLE 11.—*Comparison of average salaries in the State experiment stations with those of equivalent U.S. civil service pay rates, 1959–60*

Agricultural experiment stations salary		U.S. civil service	
		Grade	Salary
Department head	$11,339	GS–14	$11,355 to $13,275
Professor	10,545	GS–13	9,890 to 11,810
Associate professor	8,572	GS–12	8,330 to 10,250
Assistant professor	7,039	GS–11	7,030 to 8,950
Instructor	5,368	GS–7 and 9	5,985 to 7,335

Mr. FARRELL. The costs per worker for operating funds for equipment, travel, and publications have increased markedly in the last 10 years. We recognize that some equipment has become more complicated, and hence, more expensive. There are also many examples of where advances in our knowledge, skills, and techniques require new kinds of equipment, much of which is quite expensive. For example, to conduct basic research on the biochemistry of plants or animals, it is frequently necessary to label compounds with "weak" or low intensity radiations such as tritium (H^3). In order to analyze these compounds, it is necessary to employ scintillation counters with extreme sensitivity. Unfortunately, these cost about 10 times as much as an ordinary Geiger counter. In order to continue to advance the frontiers of knowledge, we must provide the hardware to accomplish the research our scientists propose. The electronics equipment in a biochemistry laboratory developed at the Pennsylvania State University within the past 5 years cost $30,400. Included is a single item of $9,399 for a Packard tricarb counter (scintillator).

The development of chromatographic techniques has opened new avenues into the study of micromaterials. However, this fact also has necessitated extensive and expensive instrumentation for analysis. Such items as a fraction collector ($1,845), a Warburg apparatus ($1,100) or Beckman D.U. spectrophotometer ($3,000) are essential to research utilizing chromatography. Many institutions have made the choice of expending research money for such equipment rather

than stagnating in their research programs and defaulting in our scientific advance to foreign powers.

Going over to table 12 on page 21, we have an item with regard to rising costs during the past year and these list some of the common greatly used pieces of equipment, and you can see the increase in percentage cost over the past 10 years is from 20 to 144 percent.

(Table 12 referred to follows:)

TABLE 12.—*Examples of increases in costs for research supplies and equipment*

Item	Cost 1949–50	Cost 1958–59	Percent increase
Petri dishes (per case)	$32.40	$38.88	20
Pipettes, serological 1 milliliter (½ gross)	48.60	87.38	80
Burette, 50 milliliters	4.40	10.76	144
Cotton (12-roll carton)	8.10	13.90	72
Automatic pipette machine	110.00	175.00	59
Electric vacuum oven (small)	97.50	200.00	105
Water bath (Freas constant temperature)	114.75	225.00	96

Mr. FARRELL. While we do not wish to belabor the issue of increasing costs, one last example may be in order. The culmination of many kinds of research activities is publication of the results, so the findings may be utilized by the public, other scientists, and government officials.

In 1953 it cost $8,871 to print the soil map of Juniata County, Pa. During 1959 we asked for bids to publish a similar kind of soil map for Lebanon County, Pa. The lowest bid was $22,000. We are searching diligently for an alternative means of making this valuable information available to the rural and urban people who are vitally concerned.

The next item deals with agriculture's share of the Federal research dollar and I think this is an item that is of deep concern to all of us. It is of concern to the 53 agricultural experiment stations that during the period Congress has greatly expanded the total research efforts of the Nation. Agriculture's share of the Federal research dollar continues to get smaller and smaller.

Table 13 shows the Federal Government's trend in expenditures for research over the 1940–60 period. It is evident that during the period 1940 to 1960 the funds expended for scientific research and development in column B were increased 100 times, while the funds for agricultural research and development increased only a little more than fourfold.

I would like to direct your attention particularly to the figures for the last 3 years in table 13. During this period the total scientific research and development funds, of column B, were increased 94 percent, whereas the increases to agricultural experiment stations were only 6.9 percent. This decreasing support of agricultural research is also reflected in the last column, D, of table 13 which shows agriculture's share of the Federal research dollar decreasing approximately 35 percent in the same 3-year period, 1957–60. I think you can see it went from 2.6 down to 1.7, approximately 85 percent.

(The table is as follows:)

TABLE 13.—*Federal Government trends in expenditures*

[Millions of dollars]

Fiscal year	Total budget [1] (A)	Total scientific research and development [1] (B)	Agricultural research and development [2] (C)	Agriculture as percent of total research and development (D)
1940	9,062	74	30	40.5
1941	13,262	198	30	15.2
1942	34,046	280	31	11.1
1943	79,407	602	31	5.1
1944	95,059	1,377	32	2.3
1945	98,416	1,591	32	2.0
1946	60,448	918	33	3.6
1947	39,032	900	39	4.3
1948	33,069	855	47	5.5
1949	39,507	1,082	55	5.1
1950	39,617	1,083	59	5.4
1951	44,058	1,300	56	4.3
1952	65,408	1,816	57	3.1
1953	74,274	2,099	57	2.7
1954	67,772	2,084	59	2.8
1955	64,570	[3] 2,926	71	2.4
1956	66,540	[3] 3,275	83	2.5
1957	69,433	[3] 3,856	103	2.6
1958	71,936	[3] 4,470	113	2.5
1959 [4]	80,697	[3] 6,565	122	1.9
1960 [4]	78,383	[3] 7,489	124	1.7

[1] Federal funds for science (NSF–59–40).
[2] ARS 56(10)–2016.
[3] Adjusted to include pay and allowances of military personnel and procurement funds which data were not available prior to 1955.
[4] Estimates.

Mr. FARRELL. Mr. Chairman, I won't take the time of this committee to read these illustrative examples of research findings. I think they are important contributions, but unless you wish me to do so, I will skip over to the summary.

Mr. WHITTEN. Fine. We will insert the examples in the record here.

(The material is as follows:)

ILLUSTRATIVE RESEARCH FINDINGS IN RECENT YEARS

A few of the many research findings during recent years are illustrated by the selections shown below.

Progeny test developed for better beef.—More than 3,500 beef animals have been subjected to a standard test developed by the Texas experiment station in cooperation with the Department. The test reveals inherited growth factors of beef animals. Such elements as genetic heritability, blood factors, mating of animals with high gaining characteristics, and others are taken into account. Use of the information already developed makes it possible for a ranchman to increase the rate of gain in cattle from one-half pound to a pound of beef a day. The research entering into the test program includes some of the most fundamental studies in animal science. While more than one factor controls the gaining rate of beef cattle, station scientists are confident that they are on the threshold of finding a chemical blood test that will provide a simple formula for revealing efficiency of gain in individual animals.

Improved fresh concentrated milk developed.—The Wisconsin station recently announced that it has developed an improved fresh concentrated milk with long-keeping qualities under refrigeration. Upon the addition of two parts of water to one of the concentrate, the product is reconstituted to an average composition of whole milk. Through cooperation of dairy scientists and marketing specialists, a supply of the new concentrate developed by the experiment station was distributed among 900 families in 2 Wisconsin cities. Each family was asked to compare the palatibility and convenience of reconstituting the concentrate with the use of fresh milk. Fewer than 25 percent of those using it said they liked the

product less than fresh milk; 62 percent said they liked it just as well; and 14 percent said they liked it even better. In addition to its apparent favorable acceptance by consumers, the new product has the advantage of lower transportation and handling costs than those involved in distributing milk on a fluid basis. For this reason it offers real incentive to development of markets in distant urban areas where fluid milk prices are high. Plans to begin processing of the product on a commercial scale are being launched by a large dairy marketing firm.

Improved methods devised for studying the biochemistry of cholesterol.—Cholesterol in animal and human diets has been suspected to be involved in certain blood vessel diseases. Cholesterol belongs to the group of complex compounds related to fats and known as sterols. Not long ago cholesterol and its immediate derivative, coprosterol, were the only sterols known to occur in the intestinal contents. Recently, biochemists at the Wisconsin station announced discovery of a new member of the sterol group. This was the sixth sterol to be found in the intestinal tract. A laboratory method was developed for producing it in sufficient quantity to be readily available for chemical tests. This research is aimed at getting refined methods for distinguishing between cholesterol and other closely related sterols in nutritional studies, relating to animals and humans.

New field of biochemistry emerges.—The great abundance of carbohydrates (starches, cellulose, pectins and other sugars) laid down in nature, their economic value, and the essential role they play in living organisms has stimulated attempts to discover how living cells build up and break down carbohydrates and the processes involved. Scientists of the California station, working with annual plants of the balsam family, have identified the part played by certain compounds in the manufacture of sugars within higher plants. One of these compounds, known as Uridine diphospho glucose plays a prominent role in sucrose synthesis inside the plants. As a result of this research, scientists may soon have the complete answer to how compounds such as the zylans, arabans, cellulose and pectins are manufactured in nature. This group of scientists was the first to isolate the nucleotide derivatives of xylose and arabinose in higher plants. Out of this basic research is emerging a new field of biochemistry, nucleotide derivatives, in which resides the secrets of the biosynthesis of several important biological compounds. This research will lead to a better understanding of the basic life processes that take place in plants and animals and hence, will contribute greatly to agriculture and to the industries that produce and utilize these plant materials.

Regional dairy marketing research finds immediate use.—Farmers, dairy plant operators, and retailers of dairy products are finding immediate use for the results of cooperative regional research by 13 North Central States and several Department agencies. A milk assembly cost study in the Wichita, Kans., market was used to obtain substantial reductions in hauling charges, with estimated savings to farmers of about $180,000 per year, and adjustments in route organization. Results of a South Dakota milk and cream study were widely used by creameries in the area in determining the feasibility of shifting to whole milk and in deciding what methods of operations to use. Regional research on expanding milk consumption in schools has had a part in the increase in milk consumption in Illinois schools from 16.6 quarts annually per student in 1954 to 28 quarts in 1957. Coordinated studies in progress of the handling of surplus milk in about 100 of the leading fluid milk markets in the region also will prove helpful to all segments of the dairy industry.

Good management cuts poultry production costs.—The challenge of intense competition in poultry farming is best met through using recommended management skills. The Michigan station, for example, found that the cost of raising pullets to maturity ranged from $1.95 per bird to $4.16, with the lowest cost on those farms where every recommended skill was put to work. The best management practice, when compared with the poorest, reduced the amount of feed used per bird by 21 pounds. The North Carolina station showed that production of hatching eggs per hen could be increased 24 percent by starting flocks in the July–September period rather than in April–June. In the production of market eggs, the Mississippi station learned that application of practices recommended to get a higher rate of lay and lower death losses resulted in triple increases for labor returns when compared with farms on which average levels of practices were being followed.

Costs lowered in field handling of citrus.—The Florida experiment station found that in orchards with a volume of about 200,000 boxes of citrus, reducing hand labor to a minimum can contribute materially to lowered cost of handling citrus from tree into highway trucks. The tractor-basket method (in which a giant-size basket is operated on a hydraulic lift mounted on a tractor) showed a great advantage over hand handling of field boxes and a slight advantage over other

mechanized methods. The cost of moving citrus from the tree into highway trailers by the tractor-basket method was 2.7 cents per field box, compared with 6.8 cents for the field-box hand-handling method. The tractor-basket method was lower than the other mechanized systems because of the ease of unloading. It is estimated that 25 percent of Florida processed citrus fruit over the 1954–55 season was handled by tractor basket at a saving of about $267,000 to those who adopted this method.

Nonresidual herbicide cuts costs.—In the past year several stations reported success with the chemical monuron as a weedicide. It does not build up in the soil and poison it. The Delaware station used monuron at recommended rates on identical asparagus beds for 7 years without residue being carried over a single season. The California station at Riverside found monuron to be a safe weedicide in citrus orchards without doing damage to citrus trees. Single applications of monuron at the rate of 2 pounds per acre controlled annual weeds for periods of 3 to 6 months. Spring and fall applications at the rate of 2 pounds per acre each year will provide complete control indefinitely. Compared with cultural methods, monuron reduced weed control costs by about 50 percent, saving the grower about $15 per acre per year.

Industrial gums made from corn starch.—The Minnesota station has established the structural specifications of naturally occurring, industrially important, plant gums that are imported at the present time in large amounts. Gum and resin-like products have now been made from cornstarch by simple chemical modifications and it is believed that these discoveries will provide a new outlet for surplus crops of corn and other starch-containing cereal grains.

Virus is cause of internal tomato browning.—A puzzling disorder of tomatoes at ripening time has plagued tomato growers in the Eastern United States since 1946. The fruits of plants that are apparently healthy start browning internally and become worthless for eating and marketing. Outbreaks of this phenomenon have been spontaneous in tomato-growing areas, sometimes causing financial losses running into thousands of dollars. The Pennsylvania station has established that the cause of this browning is a strain of tobacco mosaic virus. Infection seems to occur just as the first fruits begin to ripen. A concentration of virus then follows in the tomato fruits until some of the cells in the outer wall of the fruit are killed. The fruits are easily identified by a brownish discoloration radiating from the stem end. This is often followed by a corkiness in the walls.

Colloidal sediment linings save water.—The Colorado station installed several experimental linings using bentonite as a sealing agent in irrigation ditches. With bentonite, 7 miles of canal can be sealed for the same amount of money it takes to line 1 mile of canal with the cheapest kind of lining now in common use. Under the Colorado method, the bentonite is stirred into colloidal suspension by an air compressor and taken downstream by the flowing water. When it reaches the leaky pores and cracks of the canal bed and sides, these are sealed tight. Ordinarily the value of the water saved during the first year pays for the cost of the bentonite and labor. In one stretch of 12.5 miles of canal, money value of water saved in 1 year was $79,500.

Another expression of the productivity of the State experiment station program is indicated by the number of publications making the results of research available. In fiscal year, 1959, for example, the stations published 950 technical and popular bulletins, nearly 7,700 popular and technical articles in journals and over 1,100 periodicals and pamphlets. Considering all publications covering research results, the stations prepared nearly 13 million copies for distribution to farmers and ranchers. The State stations thus have contributed greatly to the improvements in efficiency and quality of farm products that have been of benefit to all.

SUMMARY

Mr. FARRELL. This legislative subcommittee, as always, feels gratified that your group continues to be genuinely concerned with the role played by the 53 agricultural experiment stations in the welfare of the people of our great Nation.

In this statement we have asked your favorable consideration of two items:

1. We urge that the annual appropriations by Congress in support of existing research programs include a sum to meet rising costs. This sum for the present program would be $1,816,419.

2. In appropriating funds for new research—it is suggested that $3 million be considered the minimum. If new research is to be undertaken in forestry, pesticide chemicals, marketing, soil and water conservation and basic research—several times this minimum sum will be required.

The demands for expansion of research activities in the broad field of agriculture become more insistent each year. The effect of a single act such as passage and implementation of the Miller law is tremendous.

My colleagues mentioned to me this morning that the Delaney amendment also places a much bigger burden on our experiment stations.

The facilities of many State experiment stations will be taxed beyond the bursting point to provide the necessary data to answer questions, such as safe tolerances and the duration of residues of new as well as old agricultural chemicals. The decisions based on the answers to the many associated questions will affect not only producing farmers but every consumer of agricultural products—and I think that includes all of us.

We believe the agricultural experiment stations are doing a good job in meeting the farm problems of the States and the Nation. The need to improve the efficiency of farming continues to be one of our biggest problems, with the cost of items the farmer buys increasing while the price he obtains for products of the farm is on the average declining. Agricultural research has made possible our high standard of living, and the matter of improving quality of farm products continues to receive greater attention.

Agriculture is one field in which the United States indisputably leads the world. The future of agriculture is just as dependent on research today as is any other segment of the total economy. If adequately supported, agricultural research can enlarge the sum of our knowledge of science, contribute to the health of our people, and strengthen our Nations' economy. Thank you.

Mr. WHITTEN. Thank you, Doctor. Did you have a statement to present from any of the other gentlemen?

Mr. FARRELL. No, sir. This is the statement. We have with us two gentlemen who are not members of our legislative committee, but are a liaison group from the standpoint of forestry. We have been trying to bring a little more of their thinking into our experiment station program, and Dr. Westveld of Missouri and Dean Preston of North Carolina are with us today.

If you would have any questions on forestry, or if you have any other questions, I would call, undoubtedly, on some of the members of the committee to answer them.

Mr. WHITTEN. Forestry, as you now know, goes before another subcommittee, so we will not develop that.

I am interested in your statement, and we all appreciate your presenting it. One of the things we are up against is the feeling on the part of many that overproduction is our problem. That makes it more and more difficult to sell to the Congress the need for production research.

This subcommittee doesn't agree with any such argument, because we believe that, if it hadn't been for research on production, farmers would have been bankrupt long before now, and the consumer would be eating less well and paying $12 billion more for the food bill.

This subcommittee strongly believes in work in the field of production. In fact, I may say, as an individual, I have begun to question whether some of this so-called research in marketing and utilization could not well be used better in this area. That is my personal belief.

We do wish to thank you gentlemen for your appearance and for a fine presentation.

Now, I would like to go off the record.

(Discussion off the record.)

Dr. SUTTON. Mr. Chairman, we certainly appreciate the generous time and consideration you have given us. I will say this: That the land-grant colleges appreciate this committee for what it does, not only for us, but for total agriculture.

Mr. WHITTEN. I think the land-grant colleges and experiment stations are the backbone of American agriculture. We would all be in a terrible fix if we didn't have them.

Mr. HORAN. Before they leave, could I ask one question?

We appreciate your work. Don't you get the idea that we are enemies of yours over here. We have some problems we hope we are taking a practical approach to.

How do you go about on a very serious matter like this? In the budget there is an increase for ARS of $1,502,800 to provide for intensive research to develop chemical and biological measures for use in agriculture, which will reduce or avoid hazards in pesticide residue.

Now, that is before us because of the cranberry fiasco, undoubtedly, but somebody put it in here and so they are asking for an increase and feel it is very, very vital—very serious. But how do you go about coordinating the work of the ARS with the work of our experimental stations?

I know you must. You have used the same arguments, which are very sound, but how do you go about coordinating the work as it should be done—and I assume you are coordinating the need for work to be done?

How do you go about finding out what ARS is doing and coordinating your work in every way with theirs?

Mr. FARRELL. Dr. Horsfall, do you want to say a few words on this?

STATEMENT OF DR. J. G. HORSFALL

Dr. HORSFALL. This problem is a lot bigger than a million and a half dollars.

Mr. HORAN. This is just an increase.

Dr. HORSFALL. I mean the need for an increase is much bigger than that. As you know——

Mr. HORAN. I am not denying that. I want to know how you get together on these things. We have to, in the final analysis, find out, because it is coming out of the common purse of America. We want results.

Dr. HORSFALL. The Federal Government has a central project file, as you know, and we obtain periodically the list of new projects which they approve so we will know what new work they are doing, and, similarly, when new projects are set up at the experiment stations, we trade with them so they know what we are doing.

The regional research projects—and we have one on this pesticide thing in the Northeast and, I guess, in other regions—the regional projects have a way of coordinating the stations in the region, and the USDA is concerned in those regions or participating in these projects.

So there is a source of coordination between the two.

Mr. FARRELL. I think——

Mr. HORAN. I would like to have my colleague, Mr. Marshall, comment on this, because I know there must have been items in Public Health Service dealing with this same field, pesticide residues. Fred.

I would like to see what is being done in order for us to view the whole picture and for this committee to see.

Mr. FARRELL. I think, as Dr. Horsfall said, there is knowledge with regard to what each group is doing because of this central project file.

Out in the States, I think we are faced, too, with a little different problem in that frequently all of us have to get out recommendations with regard to the use of pesticides about this time of the year, and some of our problems are quite different at the State level than they are at the national level.

So we may be doing some things that are pretty pertinent in our local areas, a group of States, which are not done by the group here.

I think the group here is going to work more on the total, overall problems and leave to the States the responsibility for those things that are pretty much of a narrow gage, and this is done.

Now, you might be interested in knowing that at the meeting of the northeastern regional group of experiment station directors last week, they voted to use a sizable amount of this increment that is now in the President's budget for upping the research on pesticides in their regional project. I think they put about $11,000 more into this pesticide regional research project.

Mr. HORAN. I am aware, myself, we are doing work in Wenatchee on this bill. I want to say to Mr. Sutton and his colleagues, we brought this matter up with Mr. Ferguson when he was before us. This matter of policing what is on the label is probably going to—you are going to fall heir to that, and I don't see any other way out of it.

But Mr. Marshall is on the subcommittee that appropriates for Health, Education, and Welfare, and I am certain that you must have had some discussion of this item.

Mr. MARSHALL. If you will yield to me, when the Food and Drug Administration and the National Institutes of Health were before us, they had a number of projects which seemed to be very closely related to some of the work that we are doing in Agriculture.

And they informed us that they had the very finest cooperation in their work; that in their relationships with all of the States they had no occasion to point out any place where they had not received the finest kind of cooperation. They did mention that a number of these problems they were working out jointly with you, to find the answers.

Mr. HORAN. That is going on in my hometown. Public Health Service has a staff there. We have several doctors and they are doing good work. The reason I brought it up, I want you to see that we are trying to get a view of the entire picture, and we would like to know what the other hand is doing when we appropriate funds,not do it in the dark. We want to know the entire picture.

But there is no question but what is involved in this is the matter of policing, after we found out these facts. Certainly, we would not have had the cranberry difficulty—and I think it was overplayed—if there had been policing by the chemical industry itself.

And in Massachusetts, I understand, the extension service was doing a good deal of supervision in seeing that the conditions on the label were lived up to. Yet, they were libeled, and they produce about 75 percent of the cranberries.

Mr. MARSHALL. I think this would be a very fine time to find out how the relationships existed, from your standpoint, with them. I have told you what they said, but what have you found your relationships to be with them? Have they been cooperative with you?

Mr. FARRELL. You are raising the question with regard to Health, Education, and Welfare, particularly?

Mr. MARSHALL. Health, Education, and Welfare; and I am thinking in terms of work done by the Public Health Service, National Institutes of Health, and the Food and Drug Administration.

Mr. FARRELL. Again, I will call on Jim Horsfall. I think he is as close as anyone to this.

Mr. HORSFALL. In their research, Health, Education, and Welfare is more concerned with cancer, let's say, and the methodology of measuring cranberries.

They had men working on that kind of methodology, whereas in Agriculture our research is on how these substances work in the field, how rapidly they deteriorate in the sunlight, and how fast they are washed off in the rain.

We are concerned with what insects they control, how much residue is required to control the insects or diseases, whereas Food and Drug is more concerned with the residues on the product after it is ready to be sold—methodology—what it does for human health, what are the toxological hazards to people and animals, and so on.

I don't know—and I was in this field before I became an administrator—this was my field—so far as I know, the cooperation among the research men is excellent.

Mr. FARRELL. I believe, too, our relations with Health, Education, and Welfare are fine. The big problem, I think, here is thousands of chemicals that we don't have the answers on with regards to tolerances. This is part of our big problem.

Mr. HORSFALL. Mr. Chairman, there is one point not yet made about the pesticides. I think it can be said this is one of the sharpest new problems that has been handed to us in agriculture in the last year or two, and that with the tightening of the laws—the Delaney amendment, specificially, and others—it will make the development of new pesticides so very, very expensive that industry is likely not to develop compounds for what they call minor uses.

For example, if they thought they had a compound that they could apply on all the potatoes or wheat of America, they would put a lot of money in to develop the toxicology. But if it were concerned with a somewhat smaller crop, they would not do it.

The result may very well be in the long run, not tomorrow perhaps, but, Mr. Chairman, it may very well be in the long run that when our insects and disease organisms develop resistance to compounds we presently have, then we will be right out there naked as we can be with no compound to substitute.

This bothers me, as a scientific man.

Mr. HORAN. Isn't there some danger the chemical companies who have done a little work are getting a bit disgusted, and they may withdraw from agricultural chemistry in any field where there is any hazard remaining?

Mr. HORSFALL. They may very well. There is a lot of talk these days that you must run dogs for 7 years as a cancer screen.

This becomes a $100,000 project or more. Just that one thing. I don't mean anything about the rest of toxicology or the rest of the cost, just that one.

Now, if you talk to industry about this matter—and I have, to a good many men in industry—you get this sort of a general opinion. They say, "No; we are not going to stop our research, but we are certainly going to truncate it and deal only with what we think is a very large market."

And, of course, the smaller companies are going out right now. Some of the smaller companies are already leaving.

Mr. HORAN. There is one compound, 66 million pounds on the shelf now, that has been declared nonsalable.

Mr. HORSFALL. Yes. It was all right yesterday, but today it is ruled out.

Mr. WHITTEN. Gentlemen, we thank you again, and we will do the best we can.

SOIL CONSERVATION

WITNESSES

HON. GEORGE H. MAHON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS
A. D. HOLMES, CHAIRMAN OF THE LEGISLATIVE COMMITTEE OF THE NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS
GILBERT COX, VICE PRESIDENT OF THE NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS
NEWMAN BUCK, CHAIRMAN OF THE RESEARCH COMMITTEE OF THE NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS
W. A. WILLIAMS, CHAIRMAN OF THE PUBLIC LANDS COMMITTEE OF THE NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS
GRADY HALBERT, CROWELL, TEX.
GEORGE OTT, HETTINGER COUNTY, N. DAK.
DONALD LUEDTKE, ARCADIA, NEBR.

Mr. WHITTEN. Gentlemen, we are glad to have Mr. A. D. Holmes, chairman of the legislative committee of the National Association of Soil Conservation Districts, with us. We will be glad for you to identify your associates for the record, if you would.

Mr. HOLMES. All right, sir. Way over on the left, Mr. Gilbert Cox, vice president of our national association; Mr. Williams of New Mexico, he is chairman of our public lands committee; Mr. Newman Buck, South Carolina, chairman of our research committee; and some supporters here, Mr. John Wilder, from Tennessee; Mr. Grady Halbert, of Texas; Donald Luedtke, from South Dakota; and we have George Ott, from Nebraska, and our attorney from Washington, Mr. Gilbert Cox.

Mr. WHITTEN. Thank you, Mr. Holmes. We will be glad to have you proceed in your own way, Mr. Holmes.

Mr. HOLMES. Mr. Chairman, we want to make a statement here.

Mr. WHITTEN. We will let you do it as you prefer.

Mr. HOLMES. Well, I prefer reading it, and then you can ask any of us questions here.

My name is A. D. Holmes, of Gallion, Ala. I am chairman of the Legislative Committee of the National Association of Soil Conservation Districts. With me are Mr. Gilbert Cox, of Virginia, vice president of our association; Mr. Newman Buck, of South Carolina, chairman of our research committee; and Mr W. A. Williams, of New Mexico, chairman of our public lands committee.

It is our purpose to testify on behalf of the soil conservation districts of America in support of appropriations for certain soil and water conservation programs of the Federal Government. I would like to present our general statement, following which we will be glad to answer questions.

There are now more than 2,865 soil conservation districts in the United States. About 91 percent of the land in farms and 95 percent of the Nation's farms are within these districts. Virtually all the public lands of the country are within districts. Nearly 2 million farmers and ranchers are district cooperators.

We come before you today to speak for the governing bodies of these districts. There are some 14,000 district officials serving on these governing bodies. They are responsible under the soil conservation district laws of the several States for carrying forward local programs of conservation and wise use of land and water resources. They discharge this assigned responsibility with assistance received from the Federal Government, from State governments, from local governments, and from private sources.

On behalf of these district officials, I want to express appreciation for this opportunity to present our views on some of the appropriation items being handled by your committee.

We are particularly interested in appropriations for technical assistance to districts, watershed protection projects, flood prevention projects, the Great Plains conservation program, soil and water conservation research, and ACP cost sharing. Federal appropriations for all of these lines of work are essential to carrying out our local soil conservation district programs.

The views we express here are not personal. They have been reached through democratic processes in our association. They are based on resolutions of the various State associations of soil conservation districts and were acted on by our national association at its annual meeting last month in Louisville, Ky.

TECHNICAL ASSISTANCE

Soil conservation districts continue to experience a shortage of SCS scientists and technicians to help farmers with soil and water conservation work on the land. This shortage is holding back conservation progress in most districts. We estimate that three-fourths of the districts urgently need one or more additional SCS men to assist in district work.

About 1,300,000 farmers and ranchers have developed basic conservation plans. They have applied about one-third of the planned

measures. They need more technical help in applying the remaining measures. Some 600,000 district cooperators are still waiting for technical help in developing basic conservation plans.

On a national average, we believe soil conservation districts need one additional SCS technician for each district in the United States.

At the present rate of progress in soil surveys it will take at least 25 years to complete the land capability mapping of the Nation's agricultural land—both public and private. We believe this mapping work should be speeded up so that the job will be finished in 15 years.

We realize this is not new information to this committee. Year after year we have had the privilege of coming before you to acquaint you with our problems. You have listened to us sympathetcially and you have helped us enormously.

This year we would like to analyze some of the trends in Soil Conservation Service assistance to districts. The following table reveals some significant facts.

TABLE I.—*Conservation operations appropriations and man-years available for assisting soil conservation districts, fiscal years 1955–60*

Fiscal year	Appropriations (as adjusted)	Number of districts organized end of fiscal year	Man-years available	
			Total	Per district
1955	$59,735,671	2,674	10,555	3.95
1956	62,950,000	2,721	10,485	3.85
1957	67,175,000	2,770	10,989	3.97
1958	75,045,000	2,806	11,341	4.04
1959	80,882,000	2,861	11,533	4.03
1960, estimated	82,322,000	2,891	11,725	4.06

We would like to draw your attention to three important points in this table. First, the number of soil conservation districts has increased by 217 during this 5-year period. Second, the appropriations for assisting districts have been increased $22½ million during the 5-year period. Third, the man-years of assistance per district is about the same as it was 5 years ago.

This brings out an important point. Throughout the 5-year period, technical men have been made available to staff the new districts as they were organized. We fully appreciate that this was possible because of consistent actions by the members of this committee, year after year. When the budget proposals did not provide for staffing new districts, your committee provided the needed funds.

As you know, the budget proposed for next fiscal year does not provide for staffing new districts. We urge you to provide the additional funds needed for this purpose during fiscal year 1961.

Other than for the staffing of new districts, the increases in appropriations for assisting districts over this 5-year period have barely been enough to pay for the continually increasing cost of doing business. And that leads to our next point. While our level of technical staff has remained constant, the number of district cooperators has been on the increase as indicated in the following table:

TABLE 2.—*Soil conservation district cooperators*

	Number
Fiscal year 1955	1, 552, 336
Fiscal year 1956	1, 644, 066
Fiscal year 1957	1, 727, 682
Fiscal year 1958	1, 794, 411
Fiscal year 1959	1, 859, 439

You can readily see from this table that districts have 300,000 more cooperators than we had 5 years ago. And even 5 years ago, as this committee will remember, we were asking for more technical help because of a backlog of work. You can see why districts believe they need, on a national average, one additional SCS technician for each district.

The proposed budget would give us no relief at all. In fact, under the budget proposal we would lose ground because of the continuing increase in the cost of doing business.

We recognize that an increase large enough to meet our full needs probably cannot be managed in 1 year. At the same time, we want you to know that soil conservation districts and their cooperating farmers and ranchers will appreciate very much whatever you can do for us in helping to meet this problem.

WATERSHED PROTECTION PROJECTS

We need help from you, too, with respect to watershed protection projects. The members of this committee have always been among the strongest supporters for the watershed approach to soil and water conservation and flood prevention. It was your actions in past years that enabled this work to progress as well as it has. We need your help again this year or watershed work will be slowed down seriously.

More than 1,200 communities throughout the Nation have requested help in developing plans for upstream watershed protection and flood prevention. Watershed planning assistance has been authorized for about 500 of these communities. In some 220 of them, plans for watershed protection have been approved for operations by the Department of Agriculture. Construction is underway on about one-half of these.

Soil conservation district supervisors at our annual convention took the position that 200 additional watershed projects should be started next year and that there should be at least one watershed planning party for each State.

We have been advised by the Department of Agriculture that the reduction in watershed planning funds proposed in the budget for fiscal 1961 would reduce the number of planning parties from the present 42 to 30. That's moving in the wrong direction. It would mean that parties now operating in some 12 States would have to be discontinued. We believe there is need for 8 more planning parties rather than 12 fewer.

We urge your committee to correct this situation and not permit a slowdown in the watershed program that would result from a reduction in the number of watershed planning parties.

During each of the last 2 years, 80 watershed plans were completed and projects authorized for operations. Under the budget proposal, only 50 plans could be authorized for operations during 1961. Based on the average Federal cost per project to date, the 1961 budget proposal would permit starting construction on only 32 new projects.

We offer for the record, and as an attachment to this statement, a letter from the Department of Agriculture setting forth these facts.

We regard the proposed budget for watershed protection projects as seriously inadequate. It would slow down this new and vital program. We hope the committee will recommend funds for this work more in line with our objectives of a watershed planning party for each State and operations authorized on 200 additional projects each year.

FLOOD PREVENTION PROJECTS

Our views on appropriations for the 11 authorized flood-prevention projects are consistent with our watershed position just stated. The proposed budget would slow down the completion of these projects. We cannot favor such an action.

These projects have been underway for some time. They are already behind schedule in construction because of inadequate construction funds. We believe that construction work next year should be continued on at least the same schedule as this year, if not faster. We urge the committee to provide the necessary funds for this purpose.

GREAT PLAINS CONSERVATION PROGRAM

The next item we support is the Great Plains conservation program. Soil conservation districts believe strongly in the approach of this relatively new program for attaining greater agricultural stability in the Great Plains—the dust bowl area of the 1930's.

The Great Plains conservation program is designed to help farmers and ranchers in this hazardous climatic area to make the basic land-use adjustments and apply the essential soil- and water-conservation measures that are so necessary to a permanent agriculture.

The program requires that a farmer or rancher develop a conservation plan of operations for his entire unit in order to take part. When a satisfactory plan is developed, the farmer can sign a contract with the Secretary of Agriculture under which long-term cost-sharing will be provided.

One significant feature of the Great Plains conservation program is that it provides a built-in completion date for applying all needed conservation measures on whole farms.

This program has been underway only since 1958. As of the end of January, 4,000 farmers and ranchers had signed contracts to complete their total soil- and water-conservation programs with Great Plains conservation program help. The extent of land involved is nearly 11 million acres. These contracts average about 5 years in length.

An additional 2,900 Great Plains farmers and ranchers have applied for contracts. Nevertheless, the Soil Conservation Service has had to slow down the signing of contracts because of a shortage of Great Plains program funds this year.

The program authorization extends through 1971. It authorizes contract commitments up to $150 million. So far only $20 million have been committed under contracts. The budget proposes that an additional $10 million be committed in 1961.

Since these contracts are averaging 5 years in length, there are only 5 more years that contracts can be written under the authorization. Contracting at a rate of only $10 million per year will permit reaching

only about one-half of the total level of operations provided for in the authorizing legislation.

We sincerely hope that funds can be provided for the Great Plains conservation program at the level contemplated in the authorizing legislation so that this effective method of completing the total conservation job on individual farms can be fully demonstrated.

SOIL AND WATER CONSERVATION RESEARCH

As the members of this committee know, soil conservation districts have had a continuing interest in a more thorough program of soil- and water-conservation research.

In 1958 Congress directed the Secretary of Agriculture to make a study of the facilities needed for soil- and water-conservation research throughout the United States. The report on this study, "Facility Needs—Soil and Water Conservation Research," was printed last year as Senate Document No. 59.

Fourteen public hearings were held in various parts of the country—giving an opportunity for farmers, ranchers, and representatives of farm organizations to present their testimony. Over 400 statements were placed on record. Members of our association attended every one of these public hearings, and we were impressed by the thoroughness and careful thinking that farm folks and agricultural leaders presented in their testimony.

The study indicated a need for eight new regional conservation research centers, a new central headquarters to direct studies on the hydrology of agricultural watersheds, and more adequate staffing at existing soil and water research facilities.

The National Association of Soil Conservation Districts unqualifiedly supports the recommendations in Senate Document 59, including the budgetary estimates. We have prepared a brief pamphlet in our own printing shop, summarizing the information in this document. We are distributing it to our membership and we are pleased to supply copies of it to the members of this committee.

On page 10 of this pamphlet we make the following recommendations:

1. That the Congress appropriate for fiscal year 1961 the Department's total estimate for construction of needed soil and water conservation research facilities, $20,205,000.

2. That the Congress appropriate one-third of the Department's proposed increase in operating funds in fiscal year 1961, another third in 1962, and the full increase in 1963. This would bring the level of operating funds up to the necessary $26,022,000 in 1963.

We recognize that these recommendations would bring about a rather significant increase in soil and water conservation research within the Agricultural Research Service. We believe this position is justified. Research started today cannot bring about accomplishments overnight. We need to prepare now for what we will require 10, 20, and 30 years from now. Senate Document No. 59 amply shows that we are facing urgent soil and water problems in our conservation program now. A vigorous attack on these problems must start now to assure protection and efficient use of the Nation's two most vital natural resources in the years and decades to come.

The proposed construction program we are requesting will cost about $20 million. This is a significant item. On January 18, this year, the Washington Evening Star pointed out that the President's budget recommends an appropriation of $389 million for Federal buildings in Metropolitan Washington. We presume that all of these buildings are needed, but we also feel that our request of about 5 percent of the funds scheduled for Washington, D.C., for research facilities to be constructed at about 30 different locations in many parts of the United States where soil and water problems are serious, is just as necessary—and modest by comparison.

We note that the President's budget recommends a total appropriation of over $8 billion for many kinds of research and development for fiscal year 1961. This figure is 6 percent above that appropriated for fiscal year 1960, and 25 percent above the fiscal year 1959 appropriation. Most of these research funds are for projects pertaining to national defense. We do not question that this great effort is necessary. Certainly for the United States to remain free it must be strong But the wealth needed for this vast defense effort must come from somewhere. Our national wealth is dependent on our combined effort applied to the effective use of our natural resources. And our two most valuable natural resources are productive land and water.

In view of the importance of our land and water resources, and the urgent need to develop new and better technology for their conservation and wise development, we are at a loss to understand why the President's budget fails to recommend a significant increase in funds for soil and water conservation research. In fact, the budget recommends that soil and water conservation research in the Agricultural Research Service be cut by $121,300.

We ask that you not only restore this unjustified cut, but we also urge you to give favorable consideration to our national plan for meeting soil and water conservation research needs.

AGRICULTURAL CONSERVATION PROGRAM

Finally, we want to emphasize our support for the agricultural conservation program.

District supervisors regard cost sharing as one of the basic and valuable elements in furthering their district programs. Conservation cost sharing, used in combination with technical assistance, has been an effective aid to farmers in getting soil and water conservation accomplished on the land. It has made an important difference, especially in these days of declining farm income, in maintaining our progress with programs of planned conservation for entire farms and ranches.

We urge an intensified use of conservation cost sharing on land treatment measures in approved watersheds.

We believe there is need for an advance authorization of $250 million for ACP in 1961.

There is one other matter about the ACP appropriation that we want to mention. That is the transfer of ACP funds to SCS.

For 10 years the Appropriation Act supplying funds for the Department of Agriculture has provided for the transfer of up to 5 percent of the ACP funds allocated to a county to SCS for technical services needed in installing conservation practices with ACP cost sharing.

For the past several years, this transfer has ranged between $7 and $8 million per year.

In times past, this transfer of ACP funds to SCS has presented problems to soil conservation districts. In some areas it has strained working relationships between the local SCS staff and county ASC committees.

Simplified transfer procedures have been put into effect for 1960. While these appear to be much more efficient than the costly system used last year, we still have a county-by-county transfer and this continues to be time consuming. The SCS technicians assigned to help our districts could better devote the time they now spend on transfer bookkeeping to working with farmers and ranchers.

We believe that funds for SCS services to the ACP should be made available at the national level instead of through county-by-county transfers. It would be a far more efficient system, we believe, and a service to agriculture.

Mr. Chairman and members of the committee, we thank you for this opportunity to express our views on these important appropriation matters. I would like to have the attachment to my statement placed in the record.

Mr. WHITTEN. That will be fine.

(The attachment is as follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 8, 1960.

Mr. GORDON K. ZIMMERMAN,
Executive Secretary,
The National Association of Soil Conservation Districts,
Washington, D.C.

DEAR MR. ZIMMERMAN: In response to your letter of February 17, 1960, we are supplying you with the requested information on the relationship of the 1961 budget to progress in the small watershed program authorized by the Watershed Protection and Flood Prevention Act.

1. The reduction in watershed planning funds from $4,900,000 to $3,500,000 will require a reduction in Federal planning parties from the present 42 to approximately 30. Since the planning parties are composed of a group of individual specialists each of whom is necessary to carrying out the complete planning operation, it is not desirable to divide these parties. Therefore, parties operating in some 12 States will have to be discontinued under this proposal. The remaining parties stationed in adjacent States will be designated to serve the States in which parties are discontinued. We will continue to make every effort to provide equitable planning assistance within the available funds in all States.

The increased allowance for planning in the fiscal year 1960 appropriation to $4,900,000 and the increased non-Federal contribution to planning of $1,100,000 is bringing about an imbalance between the number of watersheds planned and ready for installation of works of improvement and the amount of funds available and budgeted for installation. For this reason the 1961 budget proposes a reduction in planning funds of $1,400,000 while proposing an increase in installation funds of $5 million.

In fiscal year 1959, 80 watershed plans were completed and projects authorized for operations. It is estimated that an equal number of plans will be completed and watersheds authorized during the current fiscal year 1960. The number of plans completed in fiscal year 1961 will probably be substantially the same because most of the planning on these watersheds authorized will be done during the curren fiscal year. The number of additional watersheds in which planning will be undertaken during fiscal year 1961 will, however, decrease proportionately because of the reduced number of parties.

The 1961 budget estimates that 50 plans will be authorized for operations during that year as compared with 80 in each of the 2 preceding years. Planning work is currently going on in 219 watersheds out of which it is expected that about 50 plans will be completed and approved before the end of this fiscal year.

2. Out of the total available funds of $30 million projected in the 1961 budget for the watershed protection item, we estimate that approximately $16,265,000

will be available for obligation on works for improvement in watershed planned to be under construction during that fiscal year. This assumes no carryover of funds into fiscal year 1962. This amount includes the cost of providing accelerated technical assistance for land treatment, installation services for the structural measures, and construction funds to be made available under project agreements to local organizations. We estimate that during the current fiscal year 1960 the amount that will be obligated for watersheds estimated to be under construction will be $12,776,964. The amount actually obligated for works of improvement in watersheds under construction in fiscal year 1959 was $18,534,000.

3. The proposed 1961 budget estimates that 164 projects will be under construction during 1961 as compared with 137 projects under construction during fiscal year 1960 and 105 projects under construction during fiscal year 1959. We estimate that the amount of funds available per project for those projects under construction in 1961 will be approximately $99,000, assuming no carryover into fiscal year 1962. This compares with $93,000 per project in fiscal year 1960 with an estimated carryover of $2,250,000 into fiscal year 1961. The amount of funds obligated per project under construction in fiscal year 1959 was $176,514.

4. We estimate that about 380 watersheds will be planned and authorized or ready for authorization for installation of works of improvement by the end of fiscal year 1961. The 1961 budget estimates that 310 watersheds will be authorized for assistance in installation by the end of fiscal year 1961.

5. The 1961 budget estimates show that 260 projects are expected to be authorized for operations by the end of fiscal year 1960. Experience to date has indicated an average lag time of slightly less than 1 year between the date of authorization and the signing of the first project agreement for construction. Therefore, 260 projects could be expected to be completed, in construction, or ready for construction by the end of fiscal year 1961. The 1961 budget provides for 164 projects to be in construction during fiscal year 1961. Ten projects will have been completed in prior years. Deduction of 174 projects from the 260 indicates a potential of some 86 projects that may be ready for construction but cannot be provided with construction funds in fiscal year 1961.

6. The 1961 budget proposes that the increase of $5 million will be used to initiate construction work on an estimated 32 additional projects involving total Federal costs of approximately $28,900,000. The estimated number of 32 new projects on which construction would be initiated during the fiscal year 1961 is based on the average Federal cost per project to date.

We trust that this information will provide you with the facts you requested concerning the 1961 budget proposal for the watershed protection and flood prevention program.

Sincerely yours,

E. L. PETERSON, *Assistant Secretary.*

Mr. WHITTEN. Mr. Holmes, we are indeed glad to have your statement, We know of the long-time interest of your organization in the Soil Conservation Service, particularly in the district conservation approach. We note with approval the recognition of the value of your work toward the ACP program. We also note your recommendation that the Soil Conservation Service 5 percent transfer be at the national level, which in times past has been before us.

I will repeat again that, if this were done at the national level, based on our experience earlier, the ACP people would feel they must stand in line for your services. They feel that if you have to come to the county for your money, you will render better service to get your money. Under your proposal it would be like it was formerly,when they felt they had to wait too long for service.

There is considerable opposition in the other body to even doing it at the State level. I have had conferences on this and there are some that feel that at the State level it would be all right. But I repeat that, in my opinion, if the Congress were to transfer an appropriation of 5 percent, over to your service, the next year you would just get so much money and you would be just where you are without the 5 percent.

Secondly, if you get it by transfer at the Department level, you will stir up all the opposition of the ACP people who in times past, have

trained their own technicians, and at one time you had duplicate services. In fact, in our investigation on that it showed that frequently you had an ACP person having to approve the work of a Soil Conservation Service graduate engineer. So there are a lot of things involved in this problem.

This committee is vitally interested in conservation, as vitally interested as any group in the Nation. We have shown our support of the Soil Conservation Service through the years—and it certainly continues. I know every man on this committee is interested in it. However, we are up against the problem of additional funds for new districts, with the tremendous wave of publicity against all the expenditures in the name of agriculture, and with the President and the Secretary of Agriculture pointing it out themselves.

The House 3 weeks ago refused to restore $675 million in capital impairment of the Commodity Credit Corporation, which is the backbone of the whole farm program, against the best presentation that this committee could make. We are working in a period where we have to be realistic, and where it is extremely hard to get through the Congress necessary funds.

I mention that so that you may realize that this is not an easy time for us to exceed budgets. We agree with you; but our agreement is not worth 2 cents unless we get it through the Congress, and the more practical we are in recognizing the present conditions, the better chance we have to come out with adequate funds.

I know you folks over there are just as interested as we are. Due to the decrease in the purchasing power of the dollar, you face problems similar to ours. I am not going to go into any more detail on this, because this is not a new story and there is not much on this that we haven't been into before.

Mr. HOLMES. Mr. Chairman, I do have three men here. They are farmers from the Great Plains section. And if you would permit, I would like to have them say a few words. First is Mr. Grady Halbert of Crowell, Tex. I will turn it over to him.

Mr. WHITTEN. We are glad to have Mr. Halbert with us. May I say for the record that Mr. Mahon of Texas called me, and I had the privilege of talking with Mr. Halbert about his interest in this program.

Mr. Halbert, we will be glad for you to make your statement now.

STATEMENT OF MR. GRADY HALBERT

Mr. HALBERT. Thank you, Mr. Chairman, and members of the committee. For my introduction to the other members of the committee, I am Grady Halbert of Crowell, Tex., in Ford County, which is one of the counties designated as one of the Great Plains counties in our State.

However, with me—I am a Great Plains farmer—I have a fellow here from the midsection of the Great Plains sections, as well as one from the north. I am representing the southern part of the Great Plains area, but I am also a member of my board of supervisors there in the lower piece soil conservation district, and have been on that district board since 1946, when it was first organized there into a district. I am a native of my county and, incidentally, I was born on the farm about half a mile away, which is adjoining the one I operate now, which consists of some 3,300 acres of farming and ranching land on which I have our Great Plains contract.

Since I have been operating this land, I have had the deep conviction that I have owed a great debt to society and my country for posterity's sake for the protection of that land, for my hope that sometime even my great grandchildren, and their children if I should be fortunate enough to have such, would perhaps have a livelihood from this same land. Consequently, I have been a cooperator in my soil conservation district ever since we have had that district, and I have been attempting all this time to restore some of this land back to what should be its natural state. I would like to say, in conjunction with that, that the Great Plains program has been the first and only program that has given me a real chance to protect and improve all of that 3,300 acres. Of course, I have participated in other programs which have been good, yes—I am proud of them—they are splendid—but from that standpoint they have been somewhat stopgaps; but the Great Plains program has given me an opportunity to put protection over the entire 3,300 acres which I am responsible for at this time. To me, now, it is a long-term conservation plan; it is carried out on a scheduled basis with the kind of cost shares of only permanent-type practices that have guaranteed me until I get the job done. I realize there is a real task there to be done, and it is mine.

It is true it applies to my conservation plans, no one else's.

Another thing I like about it, which is so wonderful, about the Great Plains program, is that it is something which was not handed to me, but one which was not dictated to me by anyone, but one in which I had the opportunity of helping to formulate the parts of the contract there which I am beginning to carry out with our Government there, and their assistance. This is better than any other program that I have been able to participate in, in that this is truly a one-package deal, and it is a continuing program only from the standpoint of the contract date on my contract there, and I like that, and I feel that you fellows here like that, also.

On that same contract I am carrying out numbers of practices. For example, terracing, water waste, livestock ponds for better distribution of grazing, deferred grazing, stubble mulching, and any number of them.

In addition to that, I have taken some 10 to 20 percent out of my cropland and put it back into grazing land. I firmly believe, and I am hoping that you will agree with me, that truly the Great Plains program is one which is helping to stabilize agriculture in that section of the United States. I firmly believe it is an investment in the future.

As I said, I believe that about my own farm, and I firmly believe also it is a wise investment for our Government.

I would like to substantiate that by this statement: Only a few years ago when we had a severe drought in this same 10-State Great Plains area, I recall very well that our Government spent some multiple millions, $75 million, perhaps, in that very area there for emergency and relief programs which today there is no evidence left. Yes, it was fine; it helped a great deal, which we are grateful to you for, but what I am talking about, it was not permanent and it didn't correct anything. So I think a drought will come again. I am quite sure we will have droughts again. For that reason, I feel that we have a permanent program under there which will help us to help ourselves and our country as well.

With your permission, I would like to introduce to you Mr. George Ott from Reeder, N. Dak., who is a contracting Great Plains farmer from the northern section of the Great Plains.

Mr. MARSHALL. We would be glad to hear from Mr. Ott at this time.

STATEMENT OF MR. GEORGE OTT

Mr. OTT. Gentlemen, I am George Ott from Hettinger County, southwestern part of North Dakota. We call it the Banana Belt of North Dakota, because our weather actually isn't as serious as it is in many other parts. I am a farmer and a rancher, and I live on the farm that my father homesteaded. He homesteaded in that area in 1903. It consists of 1,760 acres of farm and ranch land, and up until the Great Plains program started, we had an ACP available for our use, and when I heard of the Great Plains program I contacted the work unit man. He came out and made adjustments in my farm, making it possible for me to go from a wheat farm to 1,175 head of sheep. This year along I am taking out of cultivation 320 acres of price-supported crops and putting it into grass, and my goal is to take my sheep unit up to about 2,000 head.

One of the real advantages of this program is the fact, and the intent was not there, that it has been a production adjustment program for me from price-supported crops to livestock.

Now, to bring some figures out, for permanent conservation, for each dollar spent of ACP in our county, ACP spent $137,000, and out of that $137,000, 10 percent went for permanent conservation. And against the Great Plains program in our county you spent $37,000, getting over three times the permanent conservation that ACP had.

Also, some more figures, the Great Plains figures on permanent conservation come to $18 an acre in our county against $106 an acre for the soil bank. Besides, the soil bank doesn't actually go over too well in Hettinger County.

With the Great Plains, we are able to keep the people on their farms and have no complaints from the businessmen. They have the business, and at a great saving to the Government.

Thank you.

Mr. MARSHALL. Thank you for your statement.

Mr. HALBERT. Thank you, Mr. Ott.

Also, with your permission, Mr. Chairman, I should like to introduce a contracting farmer from Arcadia, Nebr., Mr. Don Luedtke.

Mr. MARSHALL. Mr. Luedtke, we are glad to hear from you.

STATEMENT OF DONALD LUEDTKE

Mr. LUEDTKE. Mr. Chairman and gentlemen of the committee, my name is Don Luedtke. I own a 290-acre farm in Valley County, and to me, now, this Great Plains, as a young farmer starting out, is, I feel that it might mean the difference for me of either staying on the farm or getting off the farm.

I know there is a lot of these Great Plains contracts in my particular area, and to really know the program, I think a fellow has to get out and see it. I mean, to really be impressed by it, it has done a tremendous job in our territory; I mean, as far as conservation is concerned. And I think that in my area I have got a farm on each side

of me that is protecting my farm, and by that—I know I have got a map here, that I would rather show you gentlemen, other than take the time in speaking. If I can do that, I am sure you would like to see it.

Mr. MARSHALL. You may do that. You appreciate, of course, that there is no way we can put the map in the record.

Mr. LUEDTKE. I would like to point out some things on it, Mr. Chairman.

Mr. MARSHALL. You can explain it so that it will appear in the record, so that what you explain is in the record. That is perfectly permissible. But you will have to do it in such a way, because your map won't be made a part of the record, due to technical limitations.

Mr. LUEDTKE. I would like to get you gentlemen, if you have not been out in our area, a little more acquainted with what has been done. By this map I think I can probably show it to you. I think this is a pretty good illustration of just what is being done in my particular area.

This is my farm right here [indicating], and I have got—there is a farm up here above me. I have got a lot of bottom land, and there is about 80 acres here of bottom land, that you can see here, is a lagoon. This is going to be a tremendous help to me, because I have got a lot of water off of this farm here, and this farm and this farm here [indicating], and this being bottom in here, it all graded, or drained, shall I say, into that area. These other gentlemen, I feel 30 percent of my farm is going back to grass. By taking our less productive land out and concentrating a little bit more on our better land—and by that I don't think that we can say that we are contributing to our surpluses, because in this area we do mostly general farming. It is corn and small grain and wheat and cattle, which are raised in that area. And by this, having a complete conservation program here, I think it is going to do a lot of good.

One thing now that I would like to point out on this here, if by ACP payments a lot of this work would never have been done, if we had not had it; I know I would surely never have had my farm setup and had all these conservation measures made up here, if I had some program like this, which hadn't come along.

I am sure that is the way with all these other farmers in that particular area. It seems like the ACP is a good program, but it is just not complete enough to do the job, and I think that there is a pretty good example right there of the Great Plains in action.

Thank you, gentlemen, for hearing us Great Plains contracting farmers from our various agencies, and thank you, Mr. Holmes, for permitting us farmers to give a little concrete evidence of that which you testified to.

Mr. MARSHALL. I appreciate your statements. I had the opportunity of seeing some of the Great Plains work out in North Dakota, but, unfortunately, the day I was there you had one of your blizzards so I didn't get out to see the land as much as I would like to have, but I did have a very interesting day in talking over with some of your people up there these matters you have touched on. I appreciated some of the fine work that was being done.

Mr. Holmes, do you have anything further?

Mr. HOLMES. Mr. Chairman, that is all, unless you have some questions.

Mr. BUCH. Might I mention this $121,300 cut off from the soil and water research? I think we are working just as tight as we can work on that, and I would urge you to see if it could be put back in.

Mr. MARSHALL. I think the record of this committee is pretty clear of our interest on soil conservation, and, as you realize, we are faced with some very difficult budget problems, this year particularly, and it seems as though some of those problems are a little more difficult to meet than otherwise.

STATEMENT OF REPRESENTATIVE GEORGE H. MAHON

Mr. MAHON. Mr. Chairman, I want to thank the committee for hearing Mr. Grady Halbert from my area on the Great Plains program. I have a very great interest in this program, which I requested Mr. Whitten, the chairman, to consider, and I hope to have the opportunity of talking personally with the various members of the subcommittee, and later I would like to add a statement in regard to what we consider to be the very great and urgent need for some expansion in the Great Plains program.

Mr. MARSHALL. Thank you, Mr. Mahon. We are pleased to have you come here. I know that you in your committee are facing the same problems that we are in this committee. But I do want you to know that we are deeply interested and impressed.

Mr. Halbert, Mr. Holmes, and you other gentlemen, we appreciate very much your coming before the committee. We think you have presented some fine testimony and some fine statements, and we assure you that this committee will be interested in the work you are doing.

Mr. NATCHER. Mr. Marshall, I want to join with you in thanking Mr. Holmes and all of the members who have appeared at this time. Especially the gentlemen from the Great Plains section. I certainly enjoyed your fine statements, and we appreciate all of you people coming in at this time.

Mr. HOLMES. We want to thank you gentlemen. You have been mighty nice to us, and we certainly want to say thank you again.

Mr. ANDERSEN. Mr. Chairman, may I join in thanking our colleague from Texas, Mr. Mahon, for arranging the presentation we have just heard. It has been my pleasure and privilege to serve many years on the full Appropriations Committee with Mr. Mahon and I have developed a great personal respect for his ability and integrity. We are fortunate, as is our Nation, to have a man of his stature serve on this important committee.

POULTRY INSPECTION

WITNESSES

HAROLD M. WILLIAMS, PRESIDENT, INSTITUTE OF AMERICAN POULTRY INDUSTRIES

DR. ALFRED VAN WAGENEN, DIRECTOR, RESEARCH AND DEVELOPMENT, NORTHEASTERN POULTRY PRODUCERS COUNCIL, INC.

JOSEPH PARKER, CHAIRMAN, MARKET DEVELOPMENT COMMITTEE, INSTITUTE OF AMERICAN POULTRY INDUSTRIES

Mr. MARSHALL. The committee will be in order. We will be very pleased at this time to hear from Mr. Harold Williams, the president of the Institute of American Poultry Industries.

Mr. WILLIAMS. Thank you, Mr. Chairman.

With me is Dr. Alfred Van Wagenen, director of research and development, Northeastern Poultry Producers Council, Inc., and Mr. Joe Parker.

Mr. MARSHALL. We have a very high regard for Mr. Parker. He worked with the Committee on Agriculture.

Mr. PARKER. Thank you, Mr. Chairman.

Dr. VAN WAGENEN. Mr. Chairman, all I would like to say is that our board met yesterday and today, and we have gone over this statement Mr. Williams is going to give, and we are in unanimous accord with it.

I might say for emphasis that the poultry producers are just as active as are the others.

Mr. WILLIAMS. Mr. Chairman, I am Harold M. Williams, president of the Institute of American Poultry Industries, Chicago, Ill. The Institute of American Poultry Industries is a nonprofit organization chartered by the State of Illinois nearly 35 years ago. Its membership includes processors and distributors of poultry products in addition to producers, breeders, hatcherymen, and other allied interests. More than 90 percent of our processor members are small businessmen, many of them family operations which have developed through the years and grown up with the industry.

May I say, Mr. Chairman, that this is a joint statement on behalf of the following national and regional poultry organizations, who are equally interested in adequate appropriations for the effective administration of the Poultry Products Inspection Act. The following organization concurred with this:

The Alabama Poultry Industries Association; DelMarVa Poultry Industry, Inc.; Georgia Poultry Federation; Georgia Poultry Processors Association; Minnesota Poultry, Butter & Egg Association; National Poultry, Butter & Egg Association; National Turkey Federation; Pacific Dairy & Poultry Association; Southeastern Poultry & Egg Association; and the Institute of American Poultry Industries.

As Dr. Wagenen said, the Northeastern Poultry Producers Council also concurred, and also the American Poultry & Hatchery Federation just concurred yesterday.

The subject of adequate appropriations for the administration and carrying out of the provisions of the Poultry Products Inspection Act which went into effect on January 1, 1959, is a matter of major importance and of great concern to the poultry industry and to the consuming public. This act was not a measure which came lightly into being. On the contrary, this particular piece of legislation was the subject of exhaustive hearings and careful condition by the legislative committees of both the Senate and the House during two sessions of the Congress.

Compulsory poultry inspection for a number of years has been given intensive study by the entire poultry industry, by the U.S. Department of Agriculture, U.S. Public Health Service, Food and Drug Administration, State, county and city officials, labor organizations, women's clubs, and others. The legislation finally enacted had the support of these and similar organizations.

There is no question but that adequate funds should be appropriated to administer the Poultry Products Inspection Act fairly and in accordance with its terms.

Because of the lack of sufficient funds to carry out the act in accordance with its terms, the Department of Agriculture in 1959 adopted procedures which, in effect, nullified important features of the act. The result is that inspection has not and is not now being provided as directed and the act is not being fully and fairly carried out.

To stretch the available funds sufficiently to provide inspection to all eligible slaughtering and eviscerating operations, the Department, in 1959, adopted a so-called exempt procedure for what it described as further processing operations. These operations include preparation of poultry products into convenience food items after the slaughtering and evisceration of the poultry.

This so-called exemption procedure in fact is not an exemption at all. It merely results in the denial of the use of an inspection legend on the product which is subject to regulation under the act. These products which fall within the classification of further-processed products cannot be marketed in commerce unless they contain only poultry meat which is federally inspected and unless they are prepared in plants which are constructed and operated in full compliance with U.S. Department of Agriculture plant, facility, and sanitary regulations.

Notwithstanding this fact, the product is not permitted to bear an inspection legend showing the true fact that it is prepared of federally inspected poultry meat and that it is prepared in a plant operating under Federal regulation. On the contrary, the product is required to be labeled in a manner to indicate that it is exempted from the provisions of the Poultry Products Inspection Act. This is contrary to the fact. It is misleading to the public. It is injurious to the poultry industry, in that such product is denied the benefit of a proper inspection legend and is required to carry a legend which is in fact derogatory since it implies that the consumer of such product will not have had the protection of inspection under the Poultry Products Inspection Act.

This is an intolerable situation which has been imposed because sufficient funds have not been requested or appropriated to permit inspection of the preparation of poultry products as directed by the Poultry Products Inspection Act. This is a situation which should not be permitted to continue.

We understand the President's budget includes an amount approximately the same as that appropriated last year for carrying out inspection under the Poultry Products Inspection Act.

As you know, the amount appropriated last year was not sufficient to provide inspection for all activities made subject to the act. Because of the lack of funds to provide inspection as directed by the act, the Department took administrative action to limit its inspection to the slaughtering process and, in effect, denied inspection under the Poultry Products Inspection Act to those operations which it classified as further processing.

Unless the Congress includes in the Agricultural Appropriation Act this year sufficient funds to provide inspection for all of the poultry operations made subject to the act, the Department will undoubtedly continue to deny inspection for these operations.

In light of this situation, it is difficult for us associated with the poultry industry to understand why there was not included in the

budget request adequate funds for administering and carrying out the act in full. The poultry industry in supporting the enactment of the Poultry Products Inspection Act which subjects the poultry industry to mandatory inspection accepted the legislation in good faith and in the belief that adequate funds would be available to carry administration out fairly and in accordance with the terms of the act.

The provisions of the Poultry Products Inspection Act and the Meat Inspection Act are the same in this regard—this is, they both require Federal inspection of these further processed items. The appropriation act last year and the budget request this year include funds for the inspection of red meat further processed items. Failure to provide funds for poultry further processed items, therefore, amounts to discrimination and does not give the consumer the protection contemplated by the act.

We estimate that the cost of administering inspection service in those plans engaged in the preparation of poultry products would be less than $1 million. We feel that this is a matter of real importance to the welfare of everyone associated with the poultry and egg industry and to the consuming public. We, therefore, request that your Appropriations Committee include adequate appropriations to cover further processing as well as slaughtering operations, as authorized and directed by the Poultry Products Inspection Act.

We thank you for the opportunity of presenting our views and would appreciate the privilege of answering any questions you may have.

Thank you.

Mr. MARSHALL. Thank you for a fine statement.

Mr. HORAN. Mr. Chairman, I have been concerned about this. I can only go back to the fact that we did have what was considered adequate inspection in reliable institutions prior to the passage of this inspection act. Have you given thought to what might be done, other than the continuous increase in Federal funds, to make the Poultry Inspection Act a success?

Mr. PARKER. Well, Mr. Horan, last year, when we learned that the House bill did not contain any added funds, you might say, for this further processing inspection, we did appear before the Senate committee, and we did at that time point out the two alternatives. One was to provide adequate funds to carry out the inspection directed by the act, or, in the alternative, to permit the further processed items to be labeled to reflect the true facts, namely, that the further processed product contained only federally inspected poultry meat, and, No. 2, that it had been processed or prepared in a plant that was operating under the Department of Agriculture's sanitary regulations; and also that it was labeled in accordance with the requirements of the Poultry Products Inspection Act.

The Senate committee, I believe, was under the impression that the amount of money that they included in the bill was sufficient to provide inspection for everything that should be inspected under the Poultry Products Inspection Act, and thereafter, after the appropriation bill was passed, or at least in process, the Department actually proposed a change in its regulations which would, in effect, have permitted these further processed items to be carried, to carry a legend, a Department of Agriculture legend, saying the true facts, namely,

that it was processed of federally inspected meat, in a plant approved by the Department of Agriculture. That was published, and there were objections, not from the poultry industry, but from other sources, and apparently, because of those objections which anyone has a right to file in the Administrative Procedures Act, they did not change their regulation, so that the situation has continued here, where this segment of the industry is compelled to carry on its legend information which indicates to the consuming public that it is a product that has not been inspected, which we do not think is a fact. We think it is derogatory to the product, and we think that it causes the consumer to believe that this is a product that has not had the benefit of inspection, when in fact it has.

The only inspection that it has not had is the fact that it has not had an inspector continuously sitting in the plant while the product is being cooked in the can, or whatever form the processed item is taking.

Mr. HORAN. I think this is eminently unfair.Will you permit me to go off the record?

(Discussion off the record.)

Mr. MARSHALL. We thank you very much for appearing before the committee.

INSPECTION OF MEAT AND POULTRY

WITNESS

JOHN A. McCART, DIRECTOR OF LEGISLATION, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. MARSHALL. At this time the committee will be pleased to hear from Mr. John McCart.

Mr. MCCART. Thank you, Mr. Chairman. For the record, I am John A. McCart. I am director of legislation, American Federation of Government Employees.

At the outset, Mr. Chairman, let me simply say thanks for permitting us to appear.

There are two items, Mr. Chairman, in the pending Department of Agriculture appropriation for the fiscal year 1961, about which the American Federation of Government Employees is deeply concerned: the provisions for the inspection of meat and poultry.

As submitted to Congress, the President's budget permits the continued inspection of meat and meat products, but it does not provide funds for inspection of further processing of poultry. It is understood that an additional $1 million would be required to permit this vitally needed extension of poultry inspection. The American Federation of Government Employees is firmly of the opinion that the required money for this expansion of poultry inspection should be authorized and so recommends to this subcommittee in charge of the Department's appropriation.

We urge this subcommittee, therefore, to give serious consideration to the urgent need for providing funds for the inspection of further processing. Poultry inspection has been gradually extended, first as an entirely voluntary program, and later to include mandatory supervision over certain operations. The results have been most reassuring, and the program should be substantially augmented and extended.

The American Federation of Government Employees is especially interested in the maintenance of the meat inspection program at no

less than the approximate level of present operation. This would be in consonance with the budgetary request. The additional $237,800 covers the estimated cost of the pending health insurance program and provides for fewer rather than more employees. It is essential that Congress provide the funds requested for meat inspection, including the funds necessary to inspect further processing operations.

It would, in our opinion, not be amiss to increase the funds for this vital service to customers, livestock producers, meatpackers, and processors. The accomplishment so far has been notable and heartening in the knowledge that it so effectively bulwarks the Nation's health.

Inspection of meat and food products is of paramount importance from the standpoint of economies and of health. The industry involved is the second largest in dollar value—second only to the production of automotive vehicles, parts, and equipment. The fact that 25 percent of the food dollar is spent for meat indicates its importance in the marketplace. Per capita consumption this year will approximate 160 pounds.

The economic significance of the industry is apparent from its commanding market position and the enormous volume of its product. During the fiscal year 1959 more than 99 million animals were inspected in connection with slaughtering operations. This year it may exceed 106 million.

Federal meat inspectors condemn more than 1 million pounds of meat and meat food products every working day. That a great amount of inedible meat is prevented from finding its way into the retail market is evidenced by the fact that more than 7 percent of all food animals that are headed for the market have something wrong with them. In other words, 7 in every 100 are diseased. Federal inspection prevents them from reaching the consumer. The reliable meatpacker or processor would not permit the use of substandard animals for food purposes, but only an effective inspection program can deal with the dishonest individual in the industry.

The meat inspection program costs the taxpayers slightly more than $21 million at the level of present budget estimates for 1961 or authorized expenditures for 1960. This represents a per capita cost of 1 cent a month. The cost of inspecting the vast processing operations is less than the cost of one frankfurter a year.

When the meat inspection service was established 53 years ago, inspection was maintained in 163 establishments in 58 cities. At the end of the fiscal year 1959, inspections were being conducted in 1,334 establishments located in 548 cities and towns. Of this number 529 were slaughtering establishments and 805 were other establishments engaged in meat processing only.

It is particularly unfortunate that the proposed meat inspection operation for fiscal year 1961 will be a smaller organization required to conduct a larger program. The estimated personnel, in many years equivalent, because of budgetary limitations, will consist of 29 fewer inspectors to conduct inspections in 40 more establishments in 25 more cities and towns.

However, even now it appears that the budget estimate was too modest for the current year and that there will be 50 more establishments and 30 more cities and towns than were estimated earlier.

The projected program, predicated on the 1961 budget estimates, is shown below in comparison with that in each of the 5 preceding years:

Year	Man-years of inspection		Establishments under inspection	Cities and towns involved
	Meat inspectors	Veterinarians		
1956	2,289	698	1,184	471
1957	2,423	699	1,244	502
1958	2,424	667	1,300	518
1959	2,489	705	1,334	546
1960	[1] 2,559	[1] 715	[1] 1,380	[1] 571
1961	[1] 2,530	[1] 715	[1] 1,420	[1] 596

[1] Estimated.

Our recommendation is predicated on the important role of meat and poultry inspection in guarding the health of the Nation. The processing and marketing of meat and poultry have developed a highly competitive industry, and only effective inspection supported by the sanction of Federal law affords the protection which is so essential.

The Poultry Products Inspection Act, approved August 28, 1957, provides for the ending after July 1 of this year of exemptions from the inspection requirements of the act where it has been determined to be impracticable. These exemptions because of impracticability relate to poultry processors who conduct no slaughtering or eviscerating operations but who engage in further processing operations, such as canning, preparing poultry pies, poultry dinners, or cutting up and repackaging of ready-to-cook poultry.

Processors who conduct slaughtering or eviscerating operations as well as processing are likewise exempted from continuous inspection for the processing activities. However, they are subject to the authority of the Poultry Division. While all exempted processors do not receive continuous inspection, their plants are closely inspected initially for compliance with sanitary standards upon the granting of the exemption, and are inspected from time to time, but not on a day-to-day basis, as are the plans engaged in slaughtering and eviscerating.

There are bills pending which provide for the elimination from the 1957 act of the provision ending the exemption of further processing from inspection after July 1 next. We are opposed to these proposals, but the practical effect will be the same if there is no increase by the Appropriations Committee in the budget request for poultry inspection.

As the budget was submitted, it contained no provision for the inspection of further poultry processing operations. It will not be possible, therefore, for the Department to comply with the mandate of Congress in the 1957 act.

The Federal poultry inspection program has come a long way since it began as a voluntary program in 1927, supplied to a large soup company in the East. By the end of 1928 six plants were operating under the voluntary inspection program. Here, as in other types of inspection, the industry recognized that its marketing success was dependent on a wider acceptance of poultry products by American consumers.

The need was not only for raising sanitary standards under which its products were processed and prepared, but also for improving the quality of poultry products offered for sale. Improved methods of merchandising ready-to-cook poultry and prepackaged frozen foods have increased the volume of poultry processed under Federal inspection each year. By the end of the calendar year 1957, about 353 plants were operating under the poultry inspection program. That number has expanded to 880 at the end of 1959.

Brief analysis of the type of operation and inspection involved in these 880 plants will indicate the area in which inspection may be increased for the benefit of the American consumer. There are 559 plants engaged in slaughtering and eviscerating which receive free inspection. This is the mandatory portion of the program now in operation. The inspection consists of ante-mortem and post-mortem examination of birds destined for market, as well as inspection of sanitary conditions and other features of the facilities used in the processing of the product.

In addition, there are 322 plants engaged in further processing operations. Of this number, 209 plants, while exempt from mandatory inspection, have chosen voluntarily to submit their products to the program. They are paying for the inspection and accept the requirement that only inspected birds may be brought in for processing. These processors are entitled to use the round-circle inspection mark.

The remaining 113 plants are officially under the inspection program, but they are exempt from continuous inspection and may not use the mark indicating an inspected product. It must be stated, when their products are shipped, that they are exempted from inspection, though this fact does not appear on the container sold to the consumer. These plants may, however, be inspected any time the Poultry Division decides to do so.

The poultry inspection program has grown as a result of the 1957 act. In August 1958, a year after it was enacted, there was a total of 367 veterinarians and 354 nonprofessional inspectors assigned to the Inspection Branch. On February 29, 1960, there were 536 veterinarians and 1,025 nonprofessional inspectors.

To lessen the scope of this inspection or fail to enable it to keep pace with the increasing demand for the products involved is to gamble with national health and invite unscrupulous trade practices.

Unless slaughtering and processing operations are under adequate inspection, unfit meat and poultry, effectively disguised, may be sold for food purposes. Supervision is needed to prevent the use of additives which are unsafe for human consumption, or to remove the possibility of danger of adding otherwise safe substances to meat and poultry products without proper supervision. Vegetables and other food products could, without inspection, be combined with meat after they are no longer usable. Inspection is also needed to make certain that parasitic organisms do not remain alive in processed products which are to be cooked sufficiently to kill them.

It is the viewpoint of our organization that there is a critical need for the protection of consumers against diseased and contaminated poultry so that they can feel assured that the poultry and poultry products they buy are wholesome and prepared under clean and sanitary conditions only if they have been submitted to continuing Federal inspection.

They are entitled to the protection that has been provided the consumers of red meats for more than 50 years. And this protection can be provided only by eliminating all exemptions from mandatory inspection.

It is also our viewpoint that the consumers of meat and meat food products have the right to expect not only continuance of the present scope of the meat inspection program, but a reasonable degree of expansion proportionate to the increase of consumption.

This opportunity, Mr. Chairman, to present our views on this matter is greatly appreciated.

If I might take just one more minute, I would like to allude to the report of the committee on last year's Agriculture appropriation bill, H.R. 7175, that portion of it dealing with meat and poultry inspection, in which the committee directed the Department of Agriculture to review the meat and poultry inspection program, to make certain that the funds were being used for inspection at the slaughtering level, and to review the policies and procedures for the inspection of foods, products, and to make a report.

We don't know what type of report the Department has made, Mr. Chairman, but we sincerely hope that whatever recommendation they have made, whatever action the subcommittee and the full committee may make, will not result in any reduction in the amount of inspection that goes to food products, because, it seems to us, it is just as important to inspect sausages and scrapple and hotdogs as it is to inspect the animal in the first instance. These products have many products added to them in the process, and if the high standards of inspection are not maintained, we feel they will have adverse effect on the health status of the meat going into the consumer's hands.

Mr. Chairman, that concludes my formal statement.

Mr. MARSHALL. We thank you for appearing before the committee.

Mr. MCCART. Thank you very much, Mr. Chairman.

NATIONAL ARBORETUM

WITNESSES

FREDERIC P. LEE, CHAIRMAN, NATIONAL ARBORETUM ADVISORY COUNCIL
DR. RICHARD P. WHITE, MEMBER, EXECUTIVE COMMITTEE
JOHN E. GRAF, MEMBER, EXECUTIVE COMMITTEE

Mr. MARSHALL. The committee will be in order.

We are pleased to have before us Mr. Frederic P. Lee and his associates of the National Arboretum Advisory Council. Will you proceed, Mr. Lee?

Mr. LEE. Mr. Chairman, I am Frederic P. Lee. I am a resident of Bethesda, Md. I appear here as Chairman of the National Arboretum Advisory Council. The Council was created by Congress specifically in the organic act and is composed of 15 members from over the country appointed by the Secretary of Agriculture.

The Executive Committee asked me to appear before you. I am a member of that Executive Committee. I have with me Dr. Richard P. White and Mr. John E. Graf, who are also members of that Committee.

There are two points we would like to make: One is the estimates submitted to you do not include the estimate for the administration and laboratory building at the Arboretum. Your committee has, in

times past, expressed itself on the record as desirous of such estimates being submitted. The Senate committee, 2 years ago, specifically requested that the amount necessary for that building be submitted either in a public buildings bill, if there were one, and if not, in the next annual estimate.

The Department did not do that. It has, however, gone so far as to have preliminary plans for the building made and some of the appropriation spent for that; also a model of the building. Those plans were approved by the Department, submitted to the Fine Arts Commission and approved by it. I noted in the Evening Star of Washington, January 18, where it states that in the President's budget submitted to you for fiscal year 1961, $389 million in items were included for Government buildings in the Greater Washington area. I just wish they had increased that amount by $1 million to include the building for the Arboretum, but they did not do so.

The other point that we want to call your attention to is a problem—a question of policy. The appropriation for the Arboretum for the current year is $733,000. We are informed that the budget estimate for fiscal year 1961 is $383,000. That involves a cut of $350,000.

The Department's position, I believe, is that that $350,000 in the current appropriation represented nonrecurring items and therefore could properly be eliminated. I do not question it at all, and agree that $350,000 of the existing appropriation was spent for items that won't recur, such as roads, bridges, parking lots, and the like. The question of policy, it seems to me, is this: Should the Arboretum stand still, as it would have to do under the 1961 estimate, until such time as the main building is estimated for, and constructed, or should it go ahead and do as much as can be done in the interim. We members of the Council have no information as to when the Department will submit estimates for the building.

One phase of that problem is that you gentlemen have been very insistent, both in this committee and in the Senate committee, that the Arboretum be fully opened to the public and that facilities be made available to the public with as much speed as possible.

Now, therefore, it seems to our Council that some consideration might be given to the question of whether or not appropriations should be continued as in the present reduced estimate or increased so as to do what can be properly done in the completing of facilities in the interim until such time as the building is erected.

For instance, let me exemplify it by two or three things. Under the current appropriation there is provided an amount for greenhouses. These are not greenhouses for public display, but working greenhouses. They will be completed this year, but there is no money in the 1961 estimate for operating those greenhouses. That seems sort of foolish. We estimate it would take for operation and supplies, utilities, and janitor services, about $31,000, and that you would need a gardener-superintendent and two laborers, which is $13,000; or, total, $44,000. It seems to me it would be justifiable to add that to the existing estimate, so that job can go forward.

It was expected, if the appropriation remained at the present level, to use $11,000 for erection of cold frames and materials necessary for them, for operation in connection with the greenhouse. You need a certain number of cold frames for greenhouse space is valuable and cold frames can be substituted when the plants have been propagated and started on.

It was expected, in the current year, to finish the stabilization of Hickey Creek by 100 feet of concrete wall and 200 feet or riprap to prevent the flooding and to erect a certain portion of the fencing that had fallen in as a result of the wash and operations in connection with constructing some parklands nearby.

However, greenhouse costs ran about $20,000 in excess, which is just about the cost of finishing up this streambank work.

It seems to me it might well be that that $20,000 be included in next year's appropriation to prevent the possibility of damage, and to get the show more nearly on the road.

The final thing I wanted to mention is this: About half of the Arboretum, 200 acres, is not now planted. That is a big job of planting. If it were done with the present force and present funds, I don't think I am far out of line in saying that it would take 15 or 20 years to do that job. It seemed to us that now that the roads and the physical facilities are done, the next big job of making the Arboretum more accessible to the public, as well as scientists and others, is to do the remaining planting job.

It ought to be done, it seems to us, rapidly, in the course of 3 years or so. To do that, as nearly as we can estimate, would cost about $740,000, because you would have to do it through contract labor and contract materials to a large extent. You would need architects for design of various features. You would need material for soil amendment, grading, and also the plants themselves. If you completed this work in 3 years, that would require about $246,000 a year.

So the mere fact that there are some nonrecurring items, as last year and every year for a considerable time in the past, does not mean, it seems to us, that it is justifiable to establish a policy that the Arboretum should now stand still until we have that main building, but, to the contrary, some of these other things should be done while we are waiting for the main building, so as to be shipshape as soon as possible.

Mr. ANDERSEN. Mr. Lee, you have appeared before us for a good many years, and I respect your judgment and also that of the other gentlemen I see with you here today.

How much would it take to complete the entire arboretum, as this subcommittee has envisioned it in recent years? How much in cash would you say, how much total appropriation would do the job as we want to see it done?

Mr. LEE. You gentlemen in a report a few years ago said you expected this arboretum to furnish the same sort of service as Kew Gardens in London furnishes the British Empire. To do that job you have to have an administration-laboratory building in which you can house personnel, added personnel, scientific in character, that you would need, and have laboratory facilities to do the scientific work. That cost was estimated by the Department about a year and a half ago as being $1,340,000. Perhaps there may be some increase in cost since, but that is roughly the figure.

The other thing necessary is to complete the major basic planting, over 200 acres that are not now planted. That could be done by the present force, but would probably take 15 or 20 years, but it should be done, in order to get going fully as a scientific institution, with much greater rapidity. If done on a contract basis largely within, say, a 3-year period, the best estimate we can make is about $740,000.

Mr. ANDERSEN. In other words, it would take approximately $2 million to complete the entire project?

Mr. LEE. Yes. You would then have an institution set to do a full job, as was contemplated by Congress, and contemplated by this committee.

Mr. ANDERSEN. One further question, Mr. Lee. I wish you would make available to the committee, at your leisure, give it to us in the form of a brochure or plan, as to how this entire program could be completed in a 5-year period from date.

Mr. LEE. And figuring maintenance, operation, and the completion of the capital structure?

Mr. ANDERSEN. That includes the planting you have to do. Would you furnish me personally with such a brochure?

Mr. LEE. We would be glad to.

Mr. MARSHALL. Mr. Lee, we do appreciate your presentation, and we are interested. You know the problem we face with budget estimates being exceeded.

We continue our deep interest in the arboretum. We will do the best we can.

Mr. LEE. That is all you can do.

RURAL ELECTRIFICATION ADMINISTRATION

WITNESSES

CLARK T. McWHORTER, CHAIRMAN, LEGISLATIVE COMMITTEE, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION
CLYDE T. ELLIS, GENERAL MANAGER
OLIN DAVIS, PRESIDENT, CHOPTANK ELECTRIC COOPERATIVE, MARYLAND
BLAINE EATON, MANAGER, SOUTHERN PINE ELECTRIC POWER ASSOCIATION, TAYLORSVILLE, MISS.
HAROLD W. EATON, MANAGER, MORGAN COUNTY RURAL ELECTRIC MEMBERSHIP CORP., MARTINSVILLE, IND.
JOHN SARGENT, PRESIDENT, ADAMS ELECTRIC COOPERATIVE, RUSHVILLE, ILL.
OLIVER ROSE, PRESIDENT, BUTTE ELECTRIC ASSOCIATION, NISLAND, S. DAK.
ERIC A. JOHNSON, MANAGER, WASCO ELECTRIC COOPERATIVE, THE DALLES, OREG.
W. G. NEWTON, MANAGER, SOUTH PLAINS ELECTRIC COOPERATIVE, LUBBOCK, TEX.
C. ROYCE DARLING, DIRECTOR, Y-W ELECTRIC ASSOCIATION, AKRON, COLO.
JAMES BASS, VICE PRESIDENT, NATIONAL TELEPHONE COOPERATIVE ASSOCIATION, ALEXANDRIA, TENN.
MORTON LANGSTAFF, EXECUTIVE MANAGER, NATIONAL TELEPHONE COOPERATIVE ASSOCIATION
RICHARD A. DELL, DIRECTOR, LEGISLATION AND RESEARCH DEPARTMENT
KERMIT OVERBY, LEGISLATIVE REPRESENTATIVE
DR. PAUL NELSON, STAFF ECONOMIST

Mr. WHITTEN. Gentlemen, the committee will come to order. We are glad to have with us once again representatives of the National

Association of Rural Electric Cooperatives, including the head of their legislative committee, Mr. Clark T. McWhorter.

We will be glad to hear whatever you wish to say to the committee at this time, Mr. McWhorter.

Mr. McWHORTER. Mr. Chairman and gentlemen of the committee, my name is Clark T. McWhorter. I am chairman of the legislative committee of the National Rural Electric Cooperative Association. I am here with other members of the committee and with representatives of the National Telephone Cooperative Association, and the general manager and members of the staff of our national association.

At this time, with your permission, I should like to introduce the members of our group:

First, I should like to introduce the general manager of our association, Mr. Clyde T. Ellis. As many of you know, he is a former Member of Congress from Arkansas, and for a great many years has been active in the rural electrification program.

Mr. WHITTEN. We are glad to have Mr. Ellis with us. We worked with him while he was in the Congress and we have worked with him continuously since then.

Mr. MARSHALL. I would like to say I have heard of him, too.

Mr. WHITTEN. I might say here that Mr. Blaine Eaton, manager of Southern Pine Electric Power Association of Taylorsville, Miss., was with us last year and I believe met the members of this subcommittee. Mr. Eaton and I have been long-time friends. He was formerly assistant to one of our Mississippi Senators and with that start he has progressed rapidly and well. He has done a fine job in the Mississippi Legislature and with the REA in Mississippi and now as head of this local association. We are pleased to have Mr. Eaton with us. He has certainly been a bulwark of strength.

Mr. ANDERSEN. Mr. Chairman, if I may interject with reference to Clark McWhorter, Clyde Ellis, and some of these other gentlemen, as far as I am concerned they are always most welcome and I want to compliment them on the job they and their associates have done for rural America.

Mr. WHITTEN. I will join my colleague at this point, since I intended to do it at the conclusion. I wish to say that the REA program has meant more to this Nation than anything I can think of. I am talking for all America in saying that I am happy to give credit to those that have operated it. It is a fine job you folks have done. We are pleased at the record.

As the record now stands, it shows you have done a good job of running your association and have looked ahead to the rainy day. You have set this up on a business basis with proper reserves and with proper attention to running a sound business where you can replace things as they are needed and where, in the future, you will be able to meet these needs on a continuing basis. We are proud of that fact.

Mr. McWHORTER. Thank you.

Mr. NATCHER. Mr. Chairman, would you yield to me at this point?

Mr. WHITTEN. I yield to the gentleman.

Mr. NATCHER. Mr. McWhorter, naturally we are delighted to have you and our friend, Clyde Ellis, and all of you other fine gentlemen before us at this time. I would like for you personally to know that since I have been a Member of the House, I have called on Clyde Ellis and the members of this staff, Richard Dell, Kermit Overby, and sev-

eral of the other members here in the Washington office for information and assistance on several occasions and they have always been of great help to me. I want all of you members of the National Association of Rural Electric Cooperatives to know that I think you have a fine staff here in Washington.

Mr. WHITTEN. You may proceed, Mr. McWhorter.

STATEMENT OF MR. CLARK T. M'WHORTER

Mr. MCWHORTER. I might say this, that we deeply appreciate the attitude that this committee has had toward helping us with rural electrification. The program has been probably the most revolutionary thing, or revolutionizing thing that has happened to rural America.

Now, I would like to introduce Mr. Olin Davis who is president of Choptank Electric Cooperative in Maryland. Mr. Davis lives at Golt, Md.

Mr. Blaine Eaton is manager of Southern Pine Electric Power Association, Taylorsville, Miss.

Mr. Harold W. Eaton is manager of Morgan County Rural Electric Membership Corp., at Martinsville, Ind.

Mr. John Sargent is president of Adams Electric Cooperative at Rushville, Ill.

Mr. Oliver Rose is president of Butte Electric Association at Nisland, S. Dak.

Mr. Eric A. Johnson is manager of Wasco Electric Cooperative at The Dalles, Oreg.

Mr. W. G. Newton is manager of South Plains Electric Cooperative at Lubbock, Tex.

Mr. C. Royce Darling is a director of Y–W Electric Association at Akron, Colo.

We have also with us the vice president of the National Telephone Cooperative Association, Mr. James Bass, of Alexandria, Tenn. Mr. Bass is an attorney and member of the board of De Kalb Telephone Cooperative in Alexandria.

Mr. Morton Langstaff is executive manager of the National Telephone Cooperative Association.

Mr. Richard A. Dell is director of our association's legislation and research department.

Mr. Kermit Overby is our association's legislative representative.

Dr. Paul Nelson is our association's staff economist.

By way of introduction of myself, I am a director of Southwest Rural Electric Association, at Tipton, Okla. I operate a farm near Blair, Okla., where I raise cotton, alfalfa, and livestock, and, incidentally, sell what I raise at charity prices.

Mr. WHITTEN. We find we are in agreement with you on another thing.

Mr. MCWORTER. I also have the honor of representing the State of Oklahoma on the board of directors of the National Rural Electric Cooperative Association, the national service organization of the rural electric systems in the United States.

NRECA now represents 94 percent of the rural electric systems in 44 States. These systems have some 4.1 million member-owners, and, as estimated, this represents in total about 10 percent of the entire U.S. population.

At this point I would like to discuss some items that you will be studying when you take up the rural electrification program.

First is the matter of the loan fund authorization for the fiscal year 1961.

This year, as in years past, we have conducted a survey of all the rural electric systems in order to determine as accurately as we can the electric loan fund requirements for the next fiscal year. We feel this survey gives us a pretty good idea of the actual needs, since it does bring together the estimates of those who are at the grassroots in the actual operation of the rural electrification program.

In conducting the survey we try to run it as late as possible—and this is important—in order that our figures may be as recent as possible. We recognize that the Bureau of the Budget and the REA staff itself have to work much further ahead in developing their figures. Consequently, we believe it is important for us to try to obtain as late information as can be gotten together. And I believe the results over the years have been good. Our surveys in the past have helped us to arrive at estimates of loan needs that subsequent events proved to be fairly accurate.

We are still tabulating data in our current survey. However, we believe we are able at this time to arrive at a good indication of the probable loan fund needs of the rural electric systems for the 1961 fiscal year.

At the time of our annual meeting, held at St. Louis during the week of February 22 of this year, we, as a committee, began to study the loan situation needs. I might say, Mr. Chairman, we are prepared—that is, the individuals of this committee and members of our staff are prepared—to answer questions that you might want to ask on these particular subjects.

At our St. Louis meeting we made a preliminary estimate of new loan fund needs. It was our judgment that the $110 million requested by the Bureau of the Budget ought to be supplemented by a contingency fund.

You have utilized the contingency fund in the past and we believe this has been an extremely effective method of making sure that adequate loan funds are available even though applications may fluctuate up and down in a manner that cannot be predicted 18 months ahead of time.

At the time of our annual meeting it was our thought that the contingency fund might be $25 million. However, in view of the more recent information we have obtained through our survey, it is now our recommendation that you provide a contingency fund of $60 million.

In speaking of our annual meeting let me say we deeply appreciate the great contribution that one of the members of this committee, H. Carl Andersen, made to the success of our meeting there in St. Louis.

Mr. WHITTEN. We know that you couldn't have had a better friend of the REA or of agriculture than our friend and colleague, Carl Andersen. This subcommittee served under his chairmanship for several years. Later it changed, but there hasn't been any difference in the general attitude of the committee. He has worked untiringly for agriculture in the years he has been on this subcommittee.

Mr. MCWHORTER. We appreciate his services very much.

It is our recommendation that you provide a $110 million loan fund authorization, with a $60 million contingency, to be available only if the needs develop.

If a number of the large loan applications that are now being processed are approved in the months ahead, it is possible these recommended amounts may be inadequate. However, you and the Congress have been very considerate in handling such situations in the past and we are confident you would recommend a supplemental appropriation if the need should rise above the contingency that is recommended.

We are concerned, as I am sure you are concerned, that the REA Administrator will not have to curtail or delay his processing of loan applications that are justified in bringing service to those unserved or by the expanding use of electricity in the rural areas. Your record in meeting these needs in the past is a record that has earned the thanks and appreciation of all our people.

I wish to turn now to the administrative funds needed to operate the REA program.

It is our understanding that the budget request calls for an REA staff equal to that of the current fiscal year. We wish to support the budget request in this respect.

We are not in a position, of course, to know about the details of administrative operations. However, we are anxious that the REA program will continue to have a staff that is adequate to do a good job of administration.

In addition to the staff of REA itself, the Rural Electrification Section of the General Counsel's Office in the Department of Agriculture is important to the effective workings of the REA program, and we urge that you provide funds this Office will need to maintain the good work they have been doing.

Spokesmen for the REA telephone program representing the telephone cooperatives through the National Telephone Cooperative Association are here to present their views on this phase of the REA program, so I shall not go into detail on this subject.

I would like to say, however, that the rural electric cooperatives recognize the necessity of adequate telephone service in rural areas at low rates. For this reason we support the telephone cooperative program and again urge you to provide for the loan fund needs of the rural telephone cooperatives. Other type telephone borrowers from REA will undoubtedly present their own needs.

We understand that the budget request for farm electrification research in the research branch of the Department of Agriculture has been severely cut, with two important projects—one in Washington and another in Kansas—being completely eliminated. This is unfortunate because there is much good that can come out of such research to help the farmer cut his costs and to make better and more profitable use of electric power.

Let me say in passing that as an operating farmer, the amount of take-home money that we can make now is so low that certainly anything we can do to cut costs will prove helpful in our economy.

We have studied the work being done by farm-electrification research in some 14 States and we are impressed with the progress that is being made. There is a tremendous potential and we feel the limited budget request will severly handicap progress toward this potential.

It was for this reason that our association at its annual meeting last month passed a resolution urging that $600,000 be alloted to this important work. We also recommend an additional $200,000 for research on electroreclamation of alkali soil, a severe problem in some western areas.

In addition to the support of the research projects themselves, we urge that you give serious consideration to providing funds for adequate facilities for the research work so that we can get the most from the work done. We recommend an appropriation of $2 million for such facilities and equipment to be located at some suitable place for the conduct of research in the broad field of rural electrification.

On behalf of our entire membership, and our committee, I want to thank you for allowing us to present our views to you. We, as members of the NRECA legislative committee, have been elected by the rural electric systems throughout the country at their regional meetings held last fall. All of us serve our respective cooperatives in one capacity or another, as directors, managers, or members. If you have any questions about the operation of the program in any phase that we can answer, please ask them because we would like to talk these matters over with you.

We sincerely thank you for this opportunity to meet with you and discuss the rural electrification program's progress, needs, and problems.

Mr. Chairman, I would like to call on our general manager to make any statement I may have overlooked, or on anything that he might have in mind, if that would be agreeable with you.

Mr. WHITTEN. Mr. Ellis, we will be glad to hear from you.

STATEMENT OF MR. CLYDE T. ELLIS

Mr. ELLIS. Mr. Chairman, I think that is a fine statement, as presented.

There is one point I would like to make on the telephone problem, and that is that we need good telephone service in the rural areas in order to have good electric service. Unless there is telephone service, for example, the people cannot report outages when they occur. We know that rural lines are more subject to the hazards of the elements than city lines are. However, in case of outages there often isn't reporting soon enough. Sometimes there isn't enough reporting to give the central office a pattern of where the outages are. This gives an indication of why we couldn't have good electric service unless we have good telephone service in those areas, too.

I think that is all I have at this time, Mr. Chairman.

Mr. WHITTEN. Mr. Ellis, we wish to thank you.

I would perhaps like to ask you this: In the first place, your association accepts it as its obligation to give area service, does it not?

Mr. MCWHORTER. That is in our law.

Mr. WHITTEN. Accepting that, about how many customers per mile are you now requiring on the average? There may be some difference between associations.

Mr. MCWHORTER. They will vary among associations and localities. Some one of our managers, probably Glen Newton, can comment on the question. What, on your last loan Mr. Newton, what is the requirement per mile?

Mr. NEWTON. We have no requirement as such per mile. We assume in borrowing these funds from the Federal Government what we have already assumed and that is that we will provide area service, complete area service. Taking the overall, it is about three consumers per mile.

Mr. WHITTEN. You serve the need of the area which you cover?

Mr. NEWTON. Yes, sir.

Mr. WHITTEN. Does that require you in some instances to serve people when there is no apparent profit in sight?

Mr. NEWTON. In many cases, yes. Many of the services we extend are unprofitable service, but we deal on the basis of the whole. Possibly my service isn't typical, because ours is denser than some.

Mr. WHITTEN. We on the committee are familiar with such wide variations. With declining farm population, is it generally true that the customers are getting further apart than otherwise, with many of your associations?

Mr. MCWHORTER. We are in the thin areas now.

Mr. WHITTEN. The thing that helps make up for that, I suppose, is the increase in use of current per customer?

Mr. MCWHORTER. Consumption per customer.

Mr. WHITTEN. Now, I have talked with Mr. Scott and Mr. Hamil. They say there have been some terrific losses by some associations, by reason of the recent weather and icing conditions. Has that been your experience?

Mr. MCWHORTER. Terrific loss. The insurance man at our last statewide meeting at Oklahoma asked the question of the cooperatives: About how much loss have you had? He was making a survey to determine if he could come up with an insurance program in order to cover this service loss.

There were several of our cooperatives that reported major losses, maybe nearer or about the amount of, say, $50,000 at one time, in one ice storm. That is a small amount, Mr. Chairman, as compared to the loss that some of our cooperatives have had.

Mr. WHITTEN. Mr. Hamil on yesterday told me that for one association, I have forgotten in what State, the losses in the last week had been close to $600,000.

Mr. MCWHORTER. Terrific.

Mr. WHITTEN. Mr. Ellis, what percentage of your associations have had to practically rephase the whole operation? When these associations started, it was a little single line, so to speak. Now you have had to go in and handle much bigger loads and all of that. Has that been general with all of your associations?

Mr. ELLIS. Yes. We can say generally that it is universal. The systems are doubling their use of electricity about every 5 to 7 years. This has gone on since the beginning. This is a little faster than the total electric industry has grown.

Mr. WHITTEN. Have you, in connection with that, finally come around to a little more forward planning?

Mr. ELLIS. Yes.

Mr. WHITTEN. When you first rephased, you probably didn't anticipate the great demand for this service.

Mr. ELLIS. We are having to make studies now projected further into the future, and we are having, of course, to deal with many uncertainties, such as the declining farm population, which you have

already mentioned, and on that point, too, I would like to say, if I may, that we believe there are toward 400,000 idle services now that cost something over a half a million dollars to build, that the rest of the folks have to pay off. There is not much salvage value. Some systems don't even take up the lines. That means, of course, that the people who are still being served have got to pay not only for their own, but then have to pay Uncle Sam back for these idle lines also.

So it does make quite a burden.

Mr. WHITTEN. Thank you; I believe that's all.

Mr. SANTANGELO. Mr. Ellis, how do the rates which the co-ops charge compare with the rates charged by public utilities?

Mr. ELLIS. They vary, depending upon cost of power in the area, the density of population, and the usage of electricity—average usage among the members. Rarely ever are we lower than the commercial power companies. Rarely are we much higher. The power companies tend to set the standard, partly because this is designed on their part. We have to buy about half of our power from them wholesale, and they usually see to it that we don't sell power particularly to the larger users at any less than they do, and often we have to sell at something more than they do. They average from 35 to 100 to the mile, whereas we have an average of 3 consumers to the mile. Both the cost of construction and of maintenance are higher for us. Our line loss is greater on our rural electric systems than it is on the commercial premises.

Mr. ANDERSEN. Just one question, Mr. Chairman.

You will recall, Mr. McWHORTER, that at St. Louis I made the statement that $4.04 accrued to business generally in the United States for each dollar drawn down on REA loans. In other words, we have generated through REA about $14 billion worth of private business volume nationwide.

I asked Mr. Hamil to put in the record the amount of money which had accrued to the U.S. Treasury as a result of this $14 billion generation in our economy. I have just seen his answer to it—well, I had best not state the amount as yet because that section of our hearings has not as yet been made public, Mr. Chairman, but I do want to say that his answer as provided for the record has more than justified my statement that the Treasury of the United States has benefitted many times over what any difference on the interest charge has amounted to.

Mr. McWHORTEN. That is correct, Mr. Andersen.

Mr. WHITTEN. Gentlemen, we will be glad now to hear from those that might present the case for the telephone program.

Mr. ELLIS. Mr. Chairman, before you do that, may I make one point here on something you have been interested in. Last year, before the committee, and later, Congressman Santangelo asked, what is the rural market. Partly because of his request and because of the request of the industry, Dr. Paul Nelson, working with agriculture engineers, made a national survey, the first one on our systems. We have the results here. I would not ask, unless you want it, that this be placed in the record. But we can make copies available to you, all of you. The results of the survey are broken down by major appliances, 20 major appliances. The industry has accepted this, and it is basing its planning on it in part for appliance sales

throughout the country. The survey shows more than a billion-dollars-a-year annual market on 20 major appliances.

Mr. SANTANGELO. I would like to have that in the record, because I inquired into it this year, and Mr. Andersen inquired into that particular phase of it.

Mr. WHITTEN. We will be glad to have it incorporated in the record at this point.

(The pamphlet referred to follows:)

RURAL ELECTRIC APPLIANCE MARKET—A BILLION DOLLAR WHOPPER

(By Paul Nelson, staff economist, NRECA, Washington, D.C.)

It had to come, and now its here—the first real national survey of the rural electric appliance market.

We live today in an environment of facts and figures. Nearly everything we see or do has been counted, computed, or plotted by human or electronic brains. A survey, count and projection of the rural electric appliance market was inevitable.

Rural electric veterans knew the market was a whopper. They felt it in their bones. Co-op personnel seeing appliance trucks making deliveries, wiring in 220 volts, watching demand curves and seeing their kilowatt-hour consumption rapidly grow, needed no proof that many people were either buying and using appliances—or were victims of "leaky sockets."

But appliance manufacturers are a hard headed lot. As a rule, they don't base sales plans on mere hunches. They want documentation and they've howled for it for years.

Here and there individual systems and statewide organizations had conducted surveys. But results could not be applied to the national scope of the rural electric program. Now the National Rural Electric Cooperative Association with the help of almost 200 member systems, has completed the first national survey. The results are in and speak for themselves. That old feeling in the bones has been substantiated.

The rural electric consumer market is peculiar in a number of ways. The average consumer has had electricity for only 11 years or so. In that time he has progressed from the 40-watt light bulb to the all-electric home and farm in many cases.

In large part, the rural electric co-ops helped bring about this drastic change for the better. Because they served sparsely populated areas, they needed good premeter consumption to operate efficiently. So they have vigorously promoted power use. Because they are nonprofit, they have been able to hold their electric rates at the lowest possible cost. Electric living has become a meaningful phrase to rural electric consumers.

This survey shows not only a surprising saturation of appliances, but a very significant potential market as well. It is this part of the survey that holds most interest for system power use people, the manufacturers, and their sales and distributing organizations.

Let's look at some specifics:

Note the tabulations presented in table 1 (saturation data) and table 2, the market potential for next year on the 20-odd appliances listed exceeds a billion dollars.

Of course, there are many more appliances on the market than those included in the survey. If the survey included sales potential for these items too, this billion dollar figure would be upped considerably.

In the major appliance category alone, including electric ranges, refrigerators, freezers, washing machines, dryers, and dishwashers, 2.9 million rural electric cooperative member families expressed an interest in purchasing one or more of these items in 1960. Forty-five percent of them stated they possibly will buy the appliance in question. Over 20 percent said they definitely intended to buy.

Over 1.4 million families expressed an interest in the purchase of other major items, including electric water heaters, air conditioning, and television, with more than 50 percent of the 1.4 million indicating they possibly would buy the item in question and over 45 percent saying they definitely planned to buy.

Figures and facts show the rural electric appliance market is greater in size and potential than ever imagined before, and expanding at an increasing rate. First, the availability of electricity, and now its availability at low cost has created a giant market for the appliance industry in rural America.

While the market is there, much of it will be realized only if vigorous power use programs are carried out to the maximum. Rural electrics will benefit by increased and better load.

Manufacturers, their distributors and dealers will benefit to the extent that they bend intelligent and energetic sales efforts toward developing it.

And most important, the member will benefit from improved selection, service, and probably pricing.

Number of rural electric consumers owning selected appliances as percent of total rural electric cooperative member consumers, 1959 [1]

Appliance	Owned	Percent	Appliance	Owned	Percent
Electric range	1,900,000	45.3	Electric heating	390,000	9.3
Electric refrigerator	3,780,000	90.1	(*a*) 1 or more rooms	260,000	6.2
(*a*) 1-door	3,500,000	83.5	(*b*) Whole house	130,000	3.1
(*b*) 2-door	280,000	6.6	Electric vacuum cleaner	2,460,000	58.6
Electric freezer	2,030,000	48.4	Electric sewing machine	1,830,000	43.5
Electric water heater	1,680,000	40.0	Electric frypan	1,530,000	36.5
Electric washing machine	3,530,000	84.1	Electric deep fat fryer, saucepan or Dutch oven	1,180,000	28.0
(*a*) Automatic	990,000	23.5	Television	3,260,000	77.5
(*b*) Wringer type	2,540,000	60.6	Electric mixer	2,650,000	63.0
Electric dryer	480,000	11.5	Electric toaster	2,590,000	61.7
Electric dish washer	200,000	4.7	Electric blanket	910,000	21.6
Air conditioning	440,000	10.4	Electric coffee maker	2,110,000	50.3
(*a*) 1 or more rooms	300,000	7.0	Electric drill	1,520,000	36.2
(*b*) Whole house	140,000	3.4	Electric saw	1,050,000	24.9

[1] Based on a total household membership of 4,200,000.

Source: National Rural Electric Cooperative Association.

Number of rural electric cooperative members who expressed an interest in purchase of selected appliances in 1960 [1]

Appliance	Don't know	Possibly	Definitely	Appliance	Don't know	Possibly	Definitely
Electric range	201,600	243,600	113,400	Electric heating	102,200	130,200	46,200
Electric refrigerator	79,800	121,800	100,800	(*a*) 1 or more rooms	92,400	84,000	25,200
(*a*) 1-door	50,400	88,200	67,200	(*b*) whole house	8,400	50,400	21,000
(*b*) 2-door	12,600	21,000	33,600	Electric vacuum cleaner	113,400	197,400	84,000
Electric freezer	205,800	386,400	163,000	Electric sewing machine	134,400	218,400	58,800
Electric water heater	168,000	281,400	130,200	Electric frypan	184,800	289,800	79,800
Electric washing machine	130,200	226,800	121,800	Electric deep fat fryer, saucepan or Dutch oven	226,800	180,600	46,200
(*a*) automatic	79,800	130,200	84,000	Television	121,800	256,200	67,200
(*b*) wringer type	37,800	63,000	37,800	Electric mixer	92,400	189,000	54,600
Electric dryer	205,800	247,800	126,000	Electric toaster	96,600	138,600	63,000
Electric dishwasher	138,600	84,000	33,600	Electric blanket	214,200	205,800	79,800
Air conditioning	109,200	231,000	71,400	Electric coffeemaker	126,000	159,600	42,000
(*a*) 1 or more rooms	84,000	197,400	50,400	Electric drill	172,200	184,800	29,400
(*b*) whole house	8,400	33,600	12,600	Electric saw	172,200	155,400	37,800

[1] In minor instances components may not add to totals due to rounding. In other instances where components do not equal totals, it is due to the fact that the respondents, for example, in the case of refrigerators did not know whether or not they would purchase a 1- or 2-door refrigerator; however, they were planning to purchase a refrigerator.

Number and percent of total rural electric cooperative member-consumers who expressed interest in purchase of selected appliances in 1960[1]

Appliance	Number [2]	Percent	Appliance	Number [2]	Percent
Electric range	558,600	13.3	Electric heating	285,600	6.8
Electric refrigerator	302,400	7.2	(*a*) One or more rooms	201,600	4.8
(*a*) 1-door	205,800	4.8	(*b*) Whole house	79,800	1.8
(*b*) 2-door	67,200	1.6	Electric vacuum cleaner	394,800	9.4
Electric freezer	760,200	18.2	Electric sewing machine	411,600	9.8
Electric water heater	579,600	13.7	Electric frypan	554,400	13.2
Electric washing machine	478,800	10.6	Electric deep fat fryer, saucepan or dutch oven	453,600	10.8
(*a*) Automatic	294,000	6.9	Television	445,200	10.4
(*b*) Wringer type	138,600	2.7	Electric mixer	336,000	8.0
Electric dryer	579,600	13.8	Electric toaster	298,200	7.2
Electric dish washer	256,200	6.1	Electric blanket	499,800	11.8
Air conditioning	411,600	9.8	Electric coffee maker	327,600	7.9
(*a*) One or more rooms	331,800	7.8	Electric drill	386,400	9.2
(*b*) Whole house	54,600	1.3	Electric saw	365,400	8.7

[1] Source: National Rural Electric Cooperative Association.
[2] Equal totals of numbers in table above. See also note to table above.

Number of rural electric cooperative member-consumers who use gas for selected appliances, and those who plan to switch to electricity in 1960

	Number who use gas	Plan to switch to electricity		
		Don't know	Possibly	Definitely
Dryer	84,000	900	500	250
Water heater	856,800	17,100	24,800	7,700
Range	1,696,800	23,600	37,500	17,400
House heating	1,293,600	11,700	12,700	2,700

Mr. SANTANGELO. Mr. Ellis supplied information last year which was kind of general and not particular, which didn't pin it down, so I am very happy to see that you have streamlined it somewhat, to give it to us in this form. This is very important as far as the urban people are concerned. It shows the relationship to the city folks in your particular program, and I am very happy to see that you have progressed to a study of it so as to give us this information.

Mr. ELLIS. You might want to recognize in the record, Mr. Chairman, that it is the 25th anniversary of the Rural Electrification this year. March 11 is the exact date of the Executive order which created it. We are saying, as our theme this year, that rural electrification is good for all Americans.

Mr. WHITTEN. We certainly are glad to have you mention that at this point. Earlier, during the hearings with the representatives from the Department, note was made of it. The progress made in that period is certainly outstanding.

Mr. MCWHORTER. Mr. Chairman, I might say that toward the end of my statement we referred to resolutions that were passed. We would like to submit those also.

Mr. WHITTEN. Without objection, we will have them in the record.

(The resolutions referred to follow:)

RESOLUTIONS OF THE DELEGATES OF THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION IN GENERAL SESSION AT ST. LOUIS, MO., FEBRUARY 25, 1960

REA FINANCED GENERATION AND TRANSMISSION

Whereas the cost of power to rural electric systems has always been favorably influenced by their right and opportunity to generate and transmit their own power; and

Whereas the rural electric systems are constantly faced with the need to provide adequate and dependable power for a steadily rising load growth; and

Whereas power company opposition has extensively and viciously fought us when we have had to plan to build our own generation and transmission system: Now, therefore, be it

Resolved, That we commend REA for continuing to make justified generation and transmission loans despite the power company pressures to the contrary; and be it further

Resolved, That we urge Congress to investigate these propaganda pressure campaigns lest such opposition succeed in blocking urgently needed loans.

Approved by National Rural Electric Cooperative Association at St. Louis, Mo., February 25, 1960.

REA AUTHORIZATION AND APPROPRIATIONS

Be it resolved, That we respectfully request the Congress to authorize and appropriate the following amounts to maintain and carry forward the REA program during the 1961 fiscal year:

(*a*) A new electric loan fund authorization of $110 million and a $25 million contingency fund which, with the expected carryover is estimated to provide adequate loan funds to bring the electric program through the fiscal year 1961, and

(*b*) An administrative fund appropriation of sufficient size to maintain the REA staff and the legal staff at its present level;

Be it further resolved, That the legislative committee be authorized—as in the past—to make final adjustments in the above estimate as may be indicated when the NRECA annual loan needs survey is completed; and

Be it further resolved, That we strongly support the National Telephone Cooperative Association in its recommendations for loan funds as expressed in that association's resolution as follows:

"Whereas the National Telephone Cooperative Association is aware of the financial needs of telephone cooperatives for the fiscal year of 1961; and

"Whereas we do not have information pertaining to the financial needs of commercial borrowers; and we may over or underestimate the needs of commercial borrowers; and

"Whereas, a survey is being made as to the needs of the cooperatives by NTCA, in order that the appropriate committees of Congress may be presented a realistic estimate as to the financial needs of the telephone cooperatives: Now, therefore, be it

Resolved, That $50 million be set aside for use by cooperative borrowers in the rural telephone program of REA or so much as the survey might determine."

Approved by National Rural Electric Cooperative Association at St. Louis, Mo., February 25, 1960.

INTEREST RATES AND TIGHT MONEY

Whereas all segments of our economy—including rural electric cooperatives, rural electric consumers, farmers, workers, small businesses, educational institutions, hospitals, home builders, and in fact all consumers and all levels of government—are direct and indirect victims of the current high-interest, tight-money policies, which force them to pay billions a year more for the goods and services they need without in any way improving the quality or quantity of those goods and services; and

Whereas a concerted drive is underway to impose these tight-money policies on rural electrification by increasing the REA interest rate; and

Whereas the high-interest, tight-money policies strike at an essential criterion in the successful REA program, low-cost capital, a fact which enables rural electric systems to provide reliable areawide electric service on a continuing basis to all in territories of sparse population and in the face of a constantly worsening farm situation; and

Whereas high-interest, tight-money policies have not only failed to curb the spiral of inflation but on the contrary have materially contributed to inflation by sending interest rates to the highest level since just before the 1929 crash, and have jacked up the cost of living to the highest figure in history: Now, therefore be it

Resolved, That we, as a segment of the population concerned with the welfare of the entire population, recognize that these unsound money policies are a threat not only to our rural electrification program, but to the economic stability of the communities we serve and to the whole country, and must be corrected before our program and the economy are more seriously hurt; and be it further,

Resolved, That we urge Congress to take positive action on proposals to:

(1) Halt further interest rate increases on all counts, including the REA rate which is one of the few still keyed to the needs of the consumer rather than the moneylender, and

(2) Reduce interest rates back to levels that will permit sound expansion of our economy, the development of our natural resources and promote the welfare of our citizens.

Approved by National Rural Electric Cooperative Association at St. Louis, Mo., February 25, 1960.

FARM DEPRESSION AND RURAL ELECTRIFICATION

Whereas the general farm economy is the backbone of our program, and when it suffers falling prices and depressed conditions, our systems cannot help but feel the bad effects; and

Whereas millions of farmers in many parts of the country are not sharing in the current prosperity but are going broke, leaving our system areas and are heading for the cities; and

Whereas idle services representing investments made for facilities no longer earning any revenue now total 400,000 and constitute a financial burden that existing consumers must carry: Now, therefore, be it

Resolved, That we urge Congress, our Government leaders, and the public to give attention to the seriousness of this situation which is sapping the strength of our systems, and devote the energy and ingenuity needed to restore our farm economy to a state of parity with the rest of the Nation.

Approved by National Rural Electric Cooperative Association at St. Louis, Mo., February 25, 1960.

FACILITIES FOR FARM ELECTRIFICATION RESEARCH

Whereas the need for expanding activities in farm electrification has increased and is increasing each year, both in volume and in scope of projects; and

Whereas there is not now adequate housing space, equipment, or facilities available to the Agricultural Research Service for the conduct of basic research in the field of rural electrification; and

Whereas farm electrification has developed into a several-billion-dollar-per-year business and in great need of basic research: Now, therefore, be it

Resolved, That the National Rural Electric Cooperative Association urge the Congress to appropriate $2 million for the acquisition of adequate facilities and equipment to be located at some suitable location for the conduct of research in the broad field of farm electrification.

Approved by National Rural Electric Cooperative Association at St. Louis, Mo., February 25, 1960.

FARM ELECTRIFICATION RESEARCH

Whereas the Farm Electrification Division of the Agriculture Research Service of the Department of Agriculture has developed and improved many items of equipment which reduce labor and increase the efficiency of production on the farms of our Nation through the use of electricity; and

Whereas there are many worthwhile projects underway which need further work and many more under consideration which could reduce operational costs and increase the income of farm people: Now, therefore, be it

Resolved, That the National Rural Electric Cooperative Association urge the Congress to appropriate $600,000 for the fiscal year 1961 to be available for all phases of research as it applies to the use of electricity on the farm; and be it further

Resolved, That the National Rural Electric Cooperative Association urge the Congress to appropriate $900,000 for fiscal year 1962 for all phases of research as it applies to the use of electricity on the farm; and be it further

Resolved, That $200,000 be appropriated for fiscal year 1961 and $200,000 for fiscal year 1962 for the purpose of further research on electroreclamation of alkali soil.

Approved by National Rural Electric Cooperative Association at St. Louis, Mo., February 25, 1960.

Mr. McWHORTER. Mr. Bass, may we hear from you at this time.

STATEMENT OF MR. JAMES L. BASS

Mr. BASS. Mr. Chairman and members of the committee, my name is James L. Bass and I am a former director of the Dekalb Telephone Cooperative of Alexandria, Tenn. Our telephone cooperative is a member of the National Telephone Cooperative Association and I am director for region No. 3 which includes Mississippi, Tennessee, Kentucky, and Alabama. I also serve as vice president of the National Telephone Cooperative Association.

Telephone cooperatives that have had the advantage of REA financing are operating today because of loans made to them by REA. And of course, the money was made available by appropriations from the House and Senate Committees that have been so interested and helpful to us in the REA telephone program. We certainly appreciate this fact and also appreciate the recognition the telephone cooperatives have received for bringing modern, dependable communications to the more sparsely populated areas of rural America.

In fact, without the help of friendly congressional committees, many rural areas would still be without dependable telephone service. Most of these telephone cooperatives could not in the past and still cannot obtain financing from any source other than REA. At least we do not know of any commercial institutions that will loan funds to us on the loan terms Congress worked out for the REA program.

Because of the marginal type operation we have, and because of our expansion we do make application for REA loan funds from time to time. After we make our loan application, it takes some time for it to be processed and final action may not be taken by REA for 6 or 8 months. In addition to this, we have been told in the past few months that the REA telephone program has run out of money. The Administrator said that he had more applications than money and he could not make a loan without the available funds. This, of course, does impede the progressive operation of the program.

Since the survey made by NTCA has shown that approximately $50 million will be needed by telephone cooperatives for the fiscal year 1961, and as the number of co-ops will probably be the same, we would like to urge you to include an authorization of at least $50 million for use by telephone cooperatives. Naturally we cannot speak for the whole program since we represent the cooperative segment only. However, we feel the figure of $50 million is needed for co-op borrowers.

In addition, we would like to see a $25 million contingency fund included for the REA telephone program as was done for fiscal 1960.

We would like to point out in the past our loan needs estimates have been reasonably accurate. Last year we estimated that telephone cooperatives would need approximately $35 million out of the

total loan appropriation. According to the latest REA statistics we have, this figure of $35 million will be just about right. Specifically, in this past fiscal year REA has loaned telephone co-ops approximately $20 million and there are applications on hand for another $13 million. Since we still have several months to go in this fiscal year, it appears our estimate of $35 million will be correct.

Therefore, we submit our request for fiscal 1961 is based upon figures obtained from a reasonably accurate survey, and urge that REA financed telephone cooperatives may continue to provide rural America with modern, dependable telephone service.

Mr. Chairman, just to make a slight correction in the record, I am a former director of the De Kalb Telephone Cooperative of Alexandria, Tenn. It was my pleasure to serve as a member of the board of directors of that association during the earlier years of its formation, and I served until just recently.

Mr. Chairman and members of the committee, we appreciate the opportunity of appearing before this distinguished committee, and we appreciate the interest and attention given to us. We do not have a large group with us to represent the cooperatives of America that serve the rural areas and the telephone service. However, if you have any questions, Mr. Langstaff will make a short statement, and myself or Mr. Nelson will be happy to answer your questions if we can.

Thank you very much, sir.

Mr. WHITTEN. Thank you, Mr. Bass.

I note that Mr. Glenn Bergland is not with us in person today, but that he has submitted a statement. You may present that, if you like.

Mr. BASS. I would be very happy to do that, Mr. Chairman.

STATEMENT OF MR. GLENN BERGLAND

Mr. BERGLAND. My name is Glenn Bergland and I am president of the National Telephone Cooperative Association. Also, I am manager of an electric cooperative and a telephone cooperative in Thompson, Iowa.

The National Telephone Cooperative Association is the national service organization for the telephone cooperatives throughout the country. Our membership is composed of nonprofit telephone cooperatives serving in the rural areas.

At the sixth annual meeting of our association which was held in St. Louis, Mo. on February 19–20, 1960, the voting delegates passed the following resolution:

> Whereas the National Telephone Cooperative Association is aware of the financial need of the telephone cooperatives for the fiscal year of 1961; and
>
> Whereas we do not have information pertaining to the financial needs of commercial borrowers; and we may over or underestimate the needs of commercial borrowers; and
>
> Whereas a survey is being made as to the needs of the cooperatives of NTCA, in order that the appropriate committees of Congress may be presented a realistic estimate as to the financial needs of the telephone cooperatives: Now, therefore, be it
>
> *Resolved*, That $50 million be set aside for use by cooperative borrowers in the rural telephone program of REA or so much as the survey might determine.

Gentlemen, our survey has been completed and we received an 80 percent return on the survey. The final figures show that telephone

cooperatives who are REA borrowers will need approximately $50 million for the fiscal year 1961.

Therefore, as president of the National Telephone Cooperative Association, and in accoreance with the instructions contained in the aforementioned resolution, I respectfully request that of the total appropriation for the REA telephone program, there be included at least $50 million for loans to cooperative type borrowers. We have no way of knowing how much the total authorization should be in the REA telephone program. Our survey deals exclusively with telephone cooperatives.

REA has not, to my knowledge, ever made a survey to determine how much would be needed for the telephone loans program. Because the total number of REA telephone borrowers has changed so much each year, a survey of all borrowers would not necessarily be valid because of the unknown number of new borrowers that may apply for funds.

However, the situation is somewhat different with the telephone cooperatives. As of December 31, 1956, there were 203 cooperative type borrowers in the REA telephone program. Three years later, or December 31, 1957, there were 211 co-op borrowers. This was an increase of only eight borrowers within a 3-year period.

Total number of REA telephone borrowers was 509 in December of 1956. By December 31, 1959, there were 686 REA telephone borrowers or an increase of 177 borrowers. Of this 177 total only 8 were of a cooperative nature and 169 were other type companies.

Therefore, we feel that our survey accurately portrays the needs of the telephone cooperatives and that $50 million will be sufficient for their needs.

I would like to take this opportunity to thank the members of the committee for the courtesy shown to us and for the interest shown in the program.

Mr. WHITTEN. Thank you, Mr. Bass.

I don't know that we need to go into the telephone program to any great degree. This committee has dealt with the program from its start.

I say to you it is highly gratifying to me to know of the wonderful record of repayment. I believe Mr. Scott and Mr. Hamil said that less than one-tenth of 1 percent of the money loaned was even in arrears. That is in the electric program. They also stated that the record of repayment of what the telephone companies borrowed was excellent.

We all recognize this is a fairly new program, and that the progress has been tremendous. It is a little too early yet for any large amount of repayment to the Government on these loans—it is a little bit different from the other. But certainly it has a wonderful record in its own right.

I again wish to say for the record that we do appreciate this program, and it couldn't have worked as well as it has, except for those of you who have had to do with the real operation. I say that both with regard to the electric and the telephone programs.

I personally have been of the opinion that this whole Nation will rise or fall together. I mentioned earlier that I voted for the St. Lawrence Seaway a few years ago. At that time there was considerable pressure from the Mississippi gulf coast, particularly from one of

the ports not in my immediate State, which felt that this development of the St. Lawrence Seaway would have the effect of lessening the shipments through other ports. Doubtless it will for a time, but the country will develop and progress only as all of it does. I think, again, that making electricity available to the people throughout the country is probably the greatest contribution made to the rest of the country.

We wish to thank you and assure you that we will give attention to your recommendations. Within the limits of what we can do, we will take proper action.

Again, I repeat that this loan authorization is merely that, and that none of the money is withdrawn from the Treasury until the loans are actually approved—and then only as it is allocated for payment. Since the law controls the basis on which each loan shall be made, and since the law gives the Government adequate protection on each loan, I have felt that it was wise to have a loan authorization that was amply high. And under some circumstances it has proven to be very valuable.

Are there any questions from members of the committee?

Mr. MARSHALL. I would like to say that I think the group of REA and RTA are doing an excellent job of presenting their material to this committee. I think it is a further indication of the interest of this committee, of the attendance you have tonight, getting into the late afternoon hours as it is. All of us are interested, and I think have shown in the past our interest in both programs.

Mr. NATCHER. Mr. Chairman, I want to thank Mr. Bass for his fine statement. You well know, Mr. Bass, your association has many friends in the Congress of the United States.

Mr. Chairman, I would be wholly negligent if I failed to point out to the committee that Mr. Morton Langstaff—who, by the way, is doing an excellent job—is from the great State of Kentucky.

Mr. WHITTEN. Are there any further questions?

Mr. SANTANGELO. Mr. Chairman, my colleague, Mr. Andersen, and I had a wonderful working relationship with Mr. Ellis down in Puerto Rico last year when we attended a seminar on REA, and I want to say that the seminar was very helpful in getting me to understand this program—and so was my colleague. I thank you for the assistance that you gave me.

(Discussion off the record.)

Mr. ANDERSEN. Mr. Bass, I obtained a pretty clear picture from Mr. McWhorter and Mr. Ellis as to what REA needs, in your opinions, in new authorization for fiscal 1961.

I believe it was suggested that instead of $25 million contingency, we might possibly use $60 million in addition to what the budget has in here, but you didn't make it quite clear relative to RTA loans. You were speaking only for loans to cooperatives, but the figure we have before us deals with telephone loans to private companies as well as cooperatives.

So will you clarify that for us? In the first place, we had total loans approved under RTA in 1960 of about $105 million. In other words, that includes both private and cooperative loans. They are only asking for $81 million authorization for 1961.

Now, I would like to know the figure that you think should be in there in the place of that $81 million, because I think that here is one

place that the budget is decidedly short. That is my opinion, gentlement. I don't like to see a program like this start downhill.

Mr. McWHORTER. Percentagewise, I think, Congressman, they have used about 35—or 30-some—which is a little less than a third; or about a third.

Now, projecting that into this year's figures, it would be about three times that amount then which would be——

Mr. ANDERSEN. Would you not agree that the $81 million is insufficient?

Mr. ELLIS. I would think so, as a figure for the whole telephone program, if you are going to not have a contingency to cover an eventuality.

Mr. Dell may want to make a comment.

STATEMENT OF MR. RICHARD A. DELL

Mr. DELL. I say this, Congressman Andersen: On the basis of Mr. Bass' statement there and this survey that these people have made of their cooperative members, they will need about $50 million in the cooperative program.

Now, as I understand it, the commercial loans are running about twice as much as the cooperative loans. So, on that basis, if that is a good rule of thumb, you would need $150 million.

Mr. ANDERSEN. That would be my impression, Mr. Dell.

I think here we have a program, gentlemen, that cannot be sniped at because of the fact that private industry does not have a part in it. That is why I am interested in seeing that this gets a fair deal, so that nobody can say we failed to treat all groups fairly because, after all, it is the service to the public which concerns us.

We had a $25 million contingency in telephone loans this last year, but that is not in the coming budget.

Now, I think, Mr. Bass, you made the statement that the RTA program today is out of money?

Mr. BASS. Yes, sir; that's correct, sir.

Mr. ANDERSEN. Today, aren't we short about $50 million in what we should have?

Mr. BASS. Yes, sir; yes, sir. I believe you will find, sir, in the next fiscal year, 1961, that some of the loan applications that are here now will be carried over, and that supporting the statement that Mr. McWhorter made, will find again, I believe, that the contingency fund will be utilized in part again next year, and will be in excellent means to make adequate funds available if the need develops. No contingency funds have been asked for in the budget request.

Mr. ANDERSEN. It would seem to me, Mr. Bass, that we could make a very good case here for an additional $25 million or $30 million above what the budget asks for in loans here. I am speaking about RTA.

Mr. BASS. Yes, sir.

Mr. ANDERSEN. Taking both cooperatives and private companies.

Mr. NELSON. It was used this past year—the $25 million.

Mr. ANDERSEN. That's right. We had the original $80 million—I believe $79 million plus $25 million—and that gives us the $105 million figure—or the $104 million figure which I quoted earlier—as to the loan authority available in fiscal 1960. But still they are short

$50 million there. They could probably use another $50 million legitimately without waste, so, really, $104 million is not a practical yardstick as to the needs.

Mr. BASS. That's right, sir.

Mr. ANDERSEN. We have only $81 million requested in the budget, with no contingency for fiscal 1961. I think it is up to the subcommittee and the Congress, Mr. Marshall, to see to it that we study this situation very carefully, relative to RTA loan authorization.

I do think, Mr. Ellis, that the situation is not too bad relative to REA loans as such, except, of course, additional in the contingency authorization. Is that right?

Mr. MCWHORTER. I think so, sir.

Mr. ANDERSEN. Thank you, gentlemen.

Mr. ELLIS. You mean, Mr. Andersen, Rural Electric?

Mr. ANDERSEN. Rural Electric, yes.

Mr. ELLIS. Mr. Chairman, may I make one other comment on this matter of the shortage of loans, present and possible shortage of loans for the telephone co-ops? I think, and I want to say this, gentlemen, without being critical of anyone, I think it is a sad commentary when the rural electric co-ops and the rural telephone co-ops have to carry the burden of presenting to the country as well as to you the needs of this program, and to defend it against public attacks as they come. And then those segments of the telephone industry which do not do that are able to come in to REA and to get a lion's share of the funds that you authorize for rural telephones.

I want to be fair, so let me say it this way, if I can, without being critical: We would like to see you designate an amount for telephone co-ops and another amount for the rest of the telephone industry. It is a fact that a lot of the systems, a lot of the other segments of the telephone industry which come in here and get loans, do not support the very program which you make available to them. They and their organizations condemn the program, and have done so historically since the beginning of the program. They do not do that which is necessary to help present the need for these loans to the country or to you, and I think that it would be helpful to the total cause of getting everybody served in rural America if you could see your way clear to designate a certain amount of these funds for the telephone co-ops, a fair amount.

Make available whatever amount to the other segment of the industry you determine they need, if you want to. My only point is that I don't like to see the telephone co-ops penalized because of the lack of support some beneficiaries of the program are willing to give it.

Mr. ANDERSEN. Mr. Ellis, is it your recommendation that the committee in its report suggest a proportionate allocation of the RTA funds between the two groups?

Mr. ELLIS. Yes, sir, Mr. Andersen. You, as a great friend of agriculture, can appreciate, I am sure, that if most of rural America, marginal territory, is ever going to be served with telephones, nonprofit groups are going to have to do it.

At least that is my opinion.

Mr. ANDERSEN. Might I ask, do the private companies interested in this have their own association?

Mr. ELLIS. Yes, sir; they do.

Mr. ANDERSEN. They have not come before us as yet but I believe they are scheduled to testify some time soon.

Mr. ELLIS. The same old story. We come in here and carry the load. They come in and get the money, the bulk of it, and we come up short. Then, too, there is another point I want to make that is awfully important in the program. There would never have been a rural electric program had it not been aggressiely promoted from the beginning.

Dick Dell here was one of the original fieldman promoters of REA. They called the groups together. They helped them find the way. Today that is ended. There is no promotion of the telephone program in America as the electric program was promoted.

Nearly half the farmers of the country do not have telephone service yet.

Mr. ANDERSEN. I might read on this point from the report last year. It said that the committee was requested by representatives of the telephone cooperatives to earmark $35 million of the telephone loan funds for the use of the cooperatives. A separate amount has not been set aside for this purpose in the 1960 bill due to assurances received that no action will be taken by the Department which would disapprove any loans to cooperatives which have the approval of the Administrator.

I might say, Mr. Ellis, that that had the effect of forcing the Department to recognize the co-ops to the extent of $35 million in loans.

Mr. ELLIS. I question whether they have done it. We understand they have not done it. They made $20 million of loans to the co-ops, and they have $13 million in applications without enough funds to make the loans.

Mr. NELSON. There is $20 million approved for telephone cooperatives. Telephone co-ops have loan applications on hand of $13 million which has not been approved as yet. There are 3 or 4 months left to go.

Mr. ELLIS. How much money does REA have left?

Mr. NELSON. As of last month just a few million dollars.

Mr. ELLIS. REA could not possibly fulfill your request right now.

Mr. ANDERSEN. Thank you, Mr. Ellis.

Mr. MARSHALL. Does anyone else have anything to say?

We want to say to you that we are happy to have you come before our committee, and we also look forward to having the opportunity of having you up here to see us.

Mr. ANDERSEN. May I say for the record at this point, relative to my colleague from Minnesota, Mr. Marshall, that I am sure you gentlemen recognize that he is one of the best friends of REA that there is in the Congress of the United States today. I say that based upon my personal observations during his entire period of distinguished service in the Congress.

Mr. MCWHORTER. We will agree with you, sir.

Mr. MARSHALL. Thank you. We shall stand adjourned until 11 o'clock tomorrow morning.

THURSDAY, MARCH 17, 1960.

MARKET DEVELOPMENT PROGRAMS

WITNESSES

HON. CLIFFORD R. HOPE, PRESIDENT GREAT PLAINS WHEAT MARKET DEVELOPMENT ASSOCIATION
J. B. HUTSON, PRESIDENT, TOBACCO ASSOCIATES
JOSEPH PARKER, CHAIRMAN, MARKET DEVELOPMENT COMMITTEE, INSTITUTE OF AMERICAN POULTRY INDUSTRIES
HAROLD M. WILLIAMS, PRESIDENT, INSTITUTE OF AMERICAN POULTRY INDUSTRIES
J. P. GAINES, RICE MARKET DEVELOPMENT ASSOCIATION
GORDON BOALS, NATIONAL MILLERS FEDERATION
GEORGE WERIGOLD, DAIRY SOCIETY INTERNATIONAL
MRS. FRIEDA EVERRETT, DAIRY SOCIETY INTERNATIONAL
READ DUNN, EXECUTIVE DIRECTOR, COTTON COUNCIL INTERNATIONAL
CARL CAMPBELL, COTTON COUNCIL INTERNATIONAL
FRANK SNODGRASS, REPRESENTATIVE, BURLEY TOBACCO EXPORT AND IMPORT ASSOCIATION

Mr. WHITTEN. Gentlemen, the committee will come to order.

We are certainly pleased to have with us today our friend and former colleague, the Honorable Clifford R. Hope.

For the record, I want to say that I don't know of any member with whom I have served in the Congress who has rendered greater service to agriculture, and thereby to the Nation, than has our friend Clifford Hope of Kansas. It was with real regret that we saw him retire from the Congress.

It is with pleasure that I note, however, that his interest in agricultural matters has continued. And I just hope that, in the present dire straits with which agriculture is faced, through some means we may find an opportunity for our friend Clifford Hope to join with others in coming up with a solution. Apparently those of us in Congress have so many divergent views and our farm organizations are so far apart that it is almost essential that someone with his standing should step into this picture.

I mentioned earlier that Fred Marshall and I joined in introducing a bill that we felt might help hold the feed grain situation together while we brought supply and demand into better balance on such terms as to let the farmer have some income while adjustments are being made. The other thing in our bill is that it would create a commission, the members of which would be nominated by the Agriculture Committees of the House and the Senate, three-fifths of whom would have to be bona fide producers in the feed grain and wheat areas, and the Secretary of Agriculture would be an ex officio member.

I mention that to say for the record that if this bill eventually becomes law, I hope that you and our friend Steve Pace, and various others who have contributed so greatly in the Congress, might find it possible to serve on such a commission.

I know your immediate interest here today has to do with funds for marketing research. And these other matters we will take occasion to discuss with you personally from time to time.

We have Mr. Read Dunn of the Cotton Council, and Mr. Joe Parker who I suspect deserves some of the credit we may give to you and Steve Pace and other members on the Agriculture Com-

mittee. We would like for you to introduce the other folks who are here with you.

Mr. ANDERSEN. I am pleased with the remarks you have made relative to Mr. Hope. And I agree entirely with you that there are few men, at least throughout the 21 years that I have served in the Congress, who have had the respect of the Congress and the Nation as a whole that he has earned in agricultural matters. In my judgment, he is one of the great farm statesmen of all time, and I join with you in welcoming Mr. Hope and his group here today. I, for one, will weigh carefully your recommendations.

Mr. WHITTEN. Proceed, Mr. Hope.

Mr. HOPE. Mr. Chairman, I would be very unappreciative and insensitive, I am sure, if I didn't say that I feel highly honored by the very generous remarks that you and Mr. Andersen have just made. And while I feel they are exaggerated and undeserved, I appreciate them just the same.

I have always enjoyed appearing before this subcommittee, most of the members of which have been on the committee for many years. And I have had the privilege of meeting with you on many occasions. I have enjoyed it, because whenever I was right in the presentation I made, you always treated me fine and gave me what I wanted. And when I was wrong, you got me straightened out and made me feel good no matter how badly you treated me. I have always appreciated that very much.

Mr. WHITTEN. Mr. Hope, could I interrupt to introduce Mr. Santangelo, of New York City, who is proving himself a fine friend of agriculture on this subcommittee, and Mr. Michel, of Illinois, who has worked on this committee with us for several years. It may be that some of you have met these gentlemen. But I want all of you to know these newer members.

You may proceed.

Mr. HOPE. Mr. Chairman, I am appearing here today as a representative of a group, most of whom you know.

Mr. HORAN. Mr. Hope, would you introduce all of them? I see some old friends here.

Mr. HOPE. I will ask Mr. Read Dunn if he will introduce the members of the group.

Mr. DUNN. This is J. B. Hutson, president of Tobacco Associates. I think all of you know Carl Campbell, of the Cotton Council; J. P. Gaines, Rice Market Development Association. This is Gordon Werigold and Mrs. Everrett of the Dairy Society International. Gordon Boals of National Millers Federation.

Mr. NATCHER. Mr. Chairman, would you yield to me at this time. My friend, Frank Snodgrass, of Bowling Green, Ky., is also present. He is a representative of the Burley Tobacco Export & Import Association, of Lexington, Ky.

Mr. HOPE. I am appearing also for the Great Plains Wheat Market Development Association, representing wheatgrowers in the Great Plains States of Kansas, Nebraska, and Colorado, and also on behalf of the Western Wheat Associates, which is a regional market development organization in the Pacific Northwest in the States of Oregon, Washington, and Idaho. And the remarks I make today will be on behalf of the group representing a number of commodities on which market development programs are in effect.

53146—60—pt. 4——8

Speaking for myself and my associates, I desire to thank you, Mr. Chairman, and the members of your subcommittee, for according us a hearing today. We desire to present to you our views on a matter which we believe is of some little importance in the field of agriculture, namely, the development of markets for American agricultural products in foreign countries.

The tremendous expansion of agricultural production in the last few years has created many problems and taught us some lessons, one of which is that failure to give adequate consideration to agricultural marketing as compared with production can lead to near disaster.

I am sure no one is more aware of that situation than the distinguished members of this committee and all of us are aware of the efforts of your chairman and other members of the committee to expand markets at home and abroad.

One of the most important steps taken by Congress to redress the imbalance between production and consumption was the passage of Public Law No. 480 in 1954. I think it is unfortunate that when we refer to this act we speak of it simply as Public Law 480 instead of by its official title, "The Agricultural Trade Development and Assistance Act of 1954."

I say "unfortunate," because I am sure that many people when they think of this law fail to realize that its basic purpose is market development for agricultural commodities.

That purpose is not only asserted in the title and in the language of the legislation itself but it is a part of the entire legislative history not only of the original bill but of the extensions which have taken place since.

For instance, the statement of policy is almost entirely devoted to this subject and in listing the uses which might be made of foreign currency generated by the sale of agricultural commodities, the one which comes first is (*a*) to help develop new markets for U.S. agricultural commodities on a mutually benefiting basis.

And if it is proper at this time, I would like to point out that I was chairman of the House Committee on Agriculture in the 83d Congress, which committee drafted the final form of the bill and to state that in my opinion the committee never would have reported out the bill except for its market development provisions. Tbey were considered as being of paramount importance.

Mr. HORAN. Might I interrupt here to claim a little credit for that, Mr. Hope, because I think I worked with you hand in glove not only in this project but also in having foreign agricultural relations developed into a good right arm of the Department of Agriculture, in having the title changed to Foreign Agricultural Service?

And I think at that time we changed our part of the direction in recognition and development of possible outlets for American agriculture. We took a great step forward.

This past year we actually exported the equivalent of 50 million acres of American production. If we did not have the surpluses hanging over our heads, our agriculture today would be in pretty good balance.

I just interrupted there, Mr. Chairman, to bring that up, because I am rather proud of having worked with Mr. Hope at that time in trying to effect a reform that I thought was long overdue

Mr. HOPE. Well, I will say to my friend, Walter Horan, that I appreciate that interruption. And certainly there is no one who

worked any harder than Walter Horan in the development of this program, which is embodied in Public Law 480 and in what I think—and I am sure you agree with me—was equally important, the setting up in the Department of Agriculture of an agency which was able and competent to direct these market development activities.

Not only the change in the Foreign Agricultural Service and the great expansion that took place at that time, but also in raising the caliber of our agricultural attachés and giving them a standing and a status which has enabled them to do an excellent job.

I can remember when I regarded most agricultural attachés as being more or less frustrated individuals who had practically no opportunity to do anything for agriculture. They are enmeshed in a diplomatic arrangement which really left them little opportunity to do anything.

Mr. HORAN. Some of our best ones quit because of that frustration.

Mr. HOPE. Yes, they did. And now I feel that we have a corps of agricultural attachés that is without peer in any agency in the Federal Government. And I have had occasion during the last year to attend agricultural attaché conferences in Latin America and also in Europe where I met large numbers of them and participated in their meetings. And I am indeed proud of the fine work that they are doing. And I appreciate your making mention of it.

In 1958 the act was extended. The conference report on the bill expressed concern over the fact that so small a part of the foreign currency accruing under the act was to be used for market development.

The conference report on the bill contains the following language:

> The conferees take this occasion to specifically reaffirm the statements with respect to the basic objectives of Public Law 480 and the operations thereunder which are contained in the committee reports of the two Houses on this legislation. Specifically the conference committee believes that the provisions of Public Law 480 should be utilized to the fullest to develop new and expanded markets abroad for American agriculture * * *.
>
> Rather than in any way seeking to discourage or impede the sales of such surplus commodities, their sales should be emphasized if it appears by such sale under this act a future market for dollars, in the regular course of international trade, may be established for such commodities.

And that is very significant as far as the point we are attempting to press here today, because it is the dollar market which is our objective.

In 1959 the act was extended for 2 years. Bills were introduced in both the Senate and the House. The Senate bill was reported first on July 15. It simply extended the law for 1 year and provided for additional funds.

In its report the committee severely criticized the administration of the act and made recommendations for improvements in the following language:

> The Agricultural Trade Development and Assistance Act of 1954, as amended, declared trade expansion as the policy of Congress. A stated objective of this policy was to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States. Section 104(a) was listed as the first currency use, continuing with the quotation:
>
> "To help develop new markets for U.S. agricultural commodities on a mutually benefiting basis." This was no accident. It was and is the intention of Congress that foreign currencies be used to the maximum extent possible for agricultural market development and that first priority be given to this use.

This committee is concerned by reports that funds are inadequate for continuation and expansion of section 104(a) market promotional work abroad. This problem has developed as a result of increased claims for foreign currencies for other uses and fewer title I sales being made in commercial market areas, with a corresponding increase in underdeveloped countries. To insure that sufficient funds are available for section 104(a) market promotional activities, this committee recommends:

(1) The use of foreign currencies for section 104(a) should be given priority over nonreimbursible U.S. uses. The committee, in approving the enactment of new currency uses, did not contemplate that this would result in a reduction of currencies available for section 104(a).

(2) The Secretary of Agriculture should determine the level of funds needed for section 104(a) before foreign currencies are made available for other nonreimbursible U.S. uses authorized in the law.

(3) The committee commends the Department for negotiating convertibility to nondollar currencies in title I sales agreements. However, the amount of one version included in such agreements should be increased to permit greater market promotion looking toward the creation of permanent dollar markets in commerce market areas. Further, the inclusion of convertibility for section 104(a) should be a condition for the approval of future title I sales agreements.

I think that is a very excellent summation of the problems that we have run into in operating under this act.

On August 15 the House bill was reported. In an effort to strengthen the law and to meet the recommendations contained in the Senate report an amendment was made to section 104(a) for the purpose of assuring adequate supplies of foreign currency for market development, especially in dollar countries. This amendment in its final form reads as follows:

Section 4, subsection (a), of section 104 of such act is amended by inserting a period in lieu of the semicolon at the end thereof and adding the following:

From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made under this title after the date of this amendment shall be made available in advance for use as provided by this subsection over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this subsection: *Provided*, That no such funds shall be allocated under this subsection after June 30, 1960, except as may be specified from time to time in appropriation acts.

That proviso is your amendment, of course, Mr. Chairman, and I have included it herein in this text just to avoid repetition.

Going on with the original House amendment:

Particular regard should be given to provide in sale and loan agreements for the convertibility of such amount of the proceeds thereof as may be needed to carry out the purpose of this subsection in those countries which are, or offer reasonable potential of becoming, dollar markets for United States agricultural commodities. Notwithstanding any other provisions of law, if sufficient foreign currencies for carrying out the purpose of this subsection in such countries are not otherwise available, agreements may be entered into with such countries for the sale of surplus agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this subsection.

It will be noted that this provision requires setting aside for market development not less than the equivalent of 5 percent of the total sales from the date of the amendment, and that particular regard should be given to providing in sale and loan agreements for convertibility to the currency of such countries as are, or offer reasonable potential of becoming, dollar markets for the U.S. agricultural commodities.

The amendment carries a proviso added in the House by the distinguished chairman of the subcommittee and reading as follows—I have already called attention to that.

The extension of Public Law 480 is Public Law 86–341, 86th Congress. It is the last word of Congress on the subject. It is the law. And the reports of the House and Senate Committees on Agriculture show that if the policy of Congress as set out in the original Agricultural Trade Development and Assistance Act has changed, it is in the direction of strengthening the market development provisions of the program and the greater use of foreign currency, especially in the dollar market countries.

There are sound reasons for this increased interest in market development. Since 1954 the productivity of our farmers has further increased. This increase has been greater than our capacity to consume in this country.

In the meantime, world populations have increased. There is an actual or potential market for all of our agricultural production, great as it is.

Some of this demand comes from outside the normal channels of trade from countries which lack hard currency in sufficient amounts to supply their need for agricultural commodities.

On the other hand, there are many countries formerly short of dollars which are today enjoying the most prosperous era in their history. I am referring to the countries of Western Europe, to Japan, to Mexico, Venezuela, South Africa, and a few other scattered countries whose status is improving in these days of world prosperity.

If there was ever a golden opportunity for market development, it is now. World trade is increasing, but the competition is constantly becoming keener. Shifts are taking place all over the world economically and politically. No one knows just what the effect of the Common Market in Western Europe is going to be on trade, and there is the Outer 7 to reckon with also. Trade barriers are coming down in some countries, going up in others. The one sure thing is that the people who aggressively and skillfully go after the business are going to get it.

This is particularly true of agricultural commodities. During and after the war world shortages made it unnecessary to develop markets. But that time is past. The Agricultural Trade and Assistance Act has been and is the ideal vehicle to assist American agriculture to broaden its markets by selling for local currency in areas still in distress which need economic assistance and by using market development techniques and programs in the increasing dollar areas where competition is keen.

American producers and distributors of agricultural products have increasingly made use of the Agricultural Trade Development and Assistance Act during the comparatively short time it has been in existence.

Under its provision, they have worked with Foreign Agricultural Service on a cooperative basis making use of the capable and well-trained people in that organization here in Washington and serving as agricultural attachés in all parts of the world.

A considerable and increasing number of commodity groups are working on these programs. While there were foreign market development activities in the case of two or three commodities prior to

the enactment of the Agricultural Trade Development and Assistance Act, it was this measure which opened the doors to the extensive programs which are in effect today.

One of the oldest and most extensively developed programs is that of the Cotton Council International with cooperative programs to expand cotton consumption with industry groups in 11 countries. I am sure that all of you are familiar with this activity, 90 percent of which did not exist 4 years ago.

Public Law 480 has furnished the incentive through funds and technical assistance.

There are two regional organizations working on market development programs for wheat. These are the Western Wheat Associates of Portland, Oreg., and Great Plains Wheat Market Development Association of Garden City, Kans. While some work of this kind had been done before Public Law 480 by the Oregon Wheat League—and that is the pioneer organization in wheat market development, ahead of everybody——

Mr. HORAN. I think they work together, do they not, these two groups?

Mr. HOPE. That is true. They are working very closely together.

At present activities are being carried on or are in preparation in every continent except Australia.

The Soy Bean Council of America has been carrying on an extensive and very productive development program.

Rice organizations are active in the dollar markets of Western Europe.

Fruit producers are doing likewise.

The poultry market development program starting from scratch has made important progress, especially in Germany. Activities are being carried on in Switzerland, Holland, and Italy also.

Dairy Society International is active in many parts of the world where dairy products are short.

The Millers National Federation, on its own and in cooperation with wheat groups, has made noteworthy progress.

Feed grain producers have become active and extensive programs are in the making.

Lard and tallow are other commodities in which there is activity especially in the lard currency countries.

I am going to apologize to Mr. Natcher and Jack Hutson. I don't know how I happened to leave tobacco off this list, because it should be near the head of the list.

I wish I could take more time than we have available today to tell just a part of what is being done in wheat. And my associates could do likewise as to the commodities in which they are interested.

I am sure that all of them are prepared to, and will be glad to give the committee any information that it may desire on those subjects.

I would like to ask permission at this time to file a statement on behalf of the Great Plains Wheat Market Development Association and Western Wheat Associates.

Mr. WHITTEN. We will be glad to have such statement.

(The statements are as follows:)

STATEMENT OF CLIFFORD R. HOPE, PRESIDENT, GREAT PLAINS WHEAT MARKET DEVELOPMENT ASSOCIATION

History of organization and market development work

Traditionally the exporting of agricultural products from the United States has been an important part of commerce from the beginning of the Republic. One of these agricultural products, namely wheat, is shipped to most of the nations of the world in competition with several other surplus wheat-producing countries. The importance of this trade to the United States is greater now than in the past in view of our expanded capacity of production.

In contrast with many other countries, the exporting of agricultural products from the United States is primarily in the hands of private industry. The exporters of U.S. wheat, for example, are international traders who handle the wheat from many nations, depending upon the needs and demands of their customers. As surpluses of various crops have developed, the U.S. Government has become more prominent in helping to develop markets for these crops.

Market development was helped mightly by the passage of the Agricultural Trade Development and Assistance Act of 1954, commonly referred to as Public Law 480. While the immediate purpose of this act was the marketing of agricultural surpluses outside the normal channels of trade, the expressed long-range purpose was to build permanent markets in normal channels. To assist in this purpose, the act provided that foreign currencies secured by the sale of surplus commodities might be used for market development.

By contrast, many other countries exporting wheat have nurtured their export trade with loving care. Because their economies depend upon foreign trade, they lavish much attention on their agricultural exports. Similar activities in the United States, therefore, face strong competition in this respect.

The wheat producers began to give attention to market development 10 years ago. The first group to organize was the Oregon Wheat League. At the present time there are seven State organizations or commissions set up for the express purpose of developing both domestic and foreign markets. The three Pacific Northwest States of Oregon, Washington, and Idaho have joined in a regional organization known as the Western Wheat Associates. Three States in the Midwest, Kansas, Nebraska, and Colorado have associated themselves together as the Great Plains Wheat Market Development Association. Both organizations work together in certain areas in a joint effort to market their products overseas. These organizations also cooperate in market development with the Millers National Federation.

The funds to carry on various activities in their oversea operations are raised by a checkoff or self tax imposed upon the wheatgrowers themselves. While many expenses are paid for in dollars, the efforts of the wheat producers are greatly augmented by the foreign currencies made available by the U.S. Government through the Foreign Agricultural Service generated by sales under Public Law 480. At the present time, the wheatgrowers have established foreign offices in several countries which are staffed with U.S. personnel and local assistants.

General types of programs

At this point we would like to stress the fact that foreign market activities of the wheat groups are carried on in cooperation with the Foreign Agricultural Service of the U.S. Department of Agriculture. It should be pointed out also that in some areas where the wheat producers have not had an opportunity to establish a program, the agricultural attaches representing the U.S. Department of Agriculture, have been doing market development work for some time. When the representatives of the wheat producers come into these areas, their activities are directed along the line of strengthening and expanding the work already done or in progress.

At the present time, foreign offices have been established in Rotterdam, the Netherlands, serving Western Europe, and at Lima, Peru, to serve South America. There is an office in New Delhi, India, and another in Karachi, Pakistan, to serve those respective countries. A man stationed in the India office also services several southeastern countries of Asia. An office in Japan also cares for Korea and the Philippines. The Central American and Caribbean area is serviced from the Washington office.

The actual mechanism of market promotion in foreign countries requires a variety of approaches. In general, the wheat producers are developing three principal types of activities. These are (1) market research, (2) education, and (3) market promotion.

A good example of market research is the sending of survey teams in order to determine the type of activities necessary in a general area. A survey team travels through potentially important importing countries conferring with U.S. Embassy officials, local government people, industry representatives, and others to determine the nature of the market and what activities may be launched to establish or increase the market for U.S. products. These teams determine whether there is need for establishing an office, the potential market, and the type and extent of competition from other wheat-producing countries.

Other examples of market research may be cited. At the present time there is an international sampling program underway. This includes the collection of samples of wheat from cargoes being delivered to the major ports of many countries. Such samples, of course will come from both United States and other wheat-exporting countries, the analysis of which will determine the comparative quality as well as the comparative effectiveness of the U.S. marketing system. In some countries, samples of the flour produced locally as well as that which is being imported into the country, is being collected and analyzed and the results are being used to improve the quality of local flour production where necessary. In those countries where some local wheat is produced, the quality of which is not satisfactory for many uses, market research takes the form of determining the method and type of blend with U.S. hard wheats to produce the best quality flour.

In the field of education, the bringing of study groups from foreign countries to the United States is probably the outstanding example for effective results. In order to aid in the development of local markets, assistance is given in the formation and strengthening of bakers associations and in helping to train bakers by establishing baking schools. Technical assistance is given to the buyers to meet the special needs of mills. Similar assistance is given to the development of programs to improve the nutrition of school children and families in low income groups. These nutrition programs are set upoin connection with Government departments of education, extension services, and in a few instances with private groups. Mobile demonstration kitchen buses are in operation in some countries to augment these nutrition education programs. In some countries laboratories to control the quality of wheat and wheat products have sent technicians to the United States or to other more advanced countries for special training. Some of these trainees, in turn, have been assisted in setting up local training centers to train additional persons within the country.

Another type of education takes the form of participation in agricultural and trade fairs. In many countries this is an extremely important means of demonstrating products and becoming established in new markets. This is a very effective opening wedge which, of course, is being followed by more personal contact with the trade itself.

Actually trade-fair activities could also be classified under the category of promotion. There are numerous programs in which wheatgrowers are cooperating with local groups, millers, bakers, and consumer groups to expand the market for U.S. wheat and wheat products. This is being done through all media; such as newspapers, radio, movies, and television.

A new approach to promotion was launched in Europe this year in cooperation with the Foreign Agricultural Service. In this case, Foreign Agricultural Service and the wheat producers have sponsored trade luncheons for industry leaders. These trade luncheons were held in many of the important cities of the Continent. Additional ones are planned for the coming year. In a number of countries, school-lunch and relief-feeding programs have been established, through the assistance and cooperation of the wheat producers. Under Public Law 480, our Government is supplying certain surplus U.S. agricultural products. The local governments provide for their distribution, as well as supplying additional local food to supplement these products.

A very effective means of developing good will and preparing a favorable atmosphere for future market development work is to have industry representatives from foreign countries visit the United States. Here they observe all phases of the wheat industry from production to marketing, processing, and exporting. These people visit the Government inspection offices, State and Federal experiment stations, to learn how U.S. quality wheat is produced and marketed. In many cases, one of the most important results of these visits is that the potential buyer not only learns of the quality of the product but how to go about obtaining the type of wheat that may be needed for this particular country.

Western Europe

Because of the many factors, the development of programs in various areas must be designed to fit specific needs and conditions. In Western European countries, for example, there has been traditionally a high consumption of wheat and wheat products and as in the United States presently there is a decreasing per capita consumption. Many of the countries produce wheat and in some years are self-sufficient. In Europe, the U.S. wheat producers face stiff competition in quality wheat deliveries from a number of sources. The European market also is effected by a constantly increasing variety of other foods which compete for the consumer's pocketbook. The campaigns to develop markets in Europe are taking the form of promotion to increase the acceptability of bakery products and to halt further declines in the market. Efforts are being made particularly along the line of educating the buyers on the quality of U.S. wheat and how it can be used to advantage in blending with the local product. The European market in recent years is strictly a cash market almost without exception. Here, also, price competition is keen because of the credit facilities that may be offered by the governments of various competing countries.

South America

South America is an area quite distinctly in contrast with Europe. Here, because of the present lack of extensive industrial development, and low income on the part of the average consumer, the pattern of most countries is much lower wheat consumption than in the United States or Europe. With the exception of Argentina and Uruguay, most of the countries import a large proportion of their needs in wheat or flour. Because of the fact that the economic position of these countries is less advanced, much wheat has been purchased under Public Law 480, title I, for local currency. The opportunities for increasing the markets in these South American countries are very good, in view of their rapid industrial expansion and increase in population.

Central America and Caribbean

In the Central American and Caribbean areas we have another distinct example of a type of market. To these countries the United States has exported primarily high quality flour and payment has been in cash, with currencies for many years that have been sound. During the past 2 years, a distinct change has taken place wherein many countries are building mills; consequently they now are shifting from flour to wheat purchasing. A market development program in this case is developed to demonstrate the value of U.S. wheat and how it can be purchased. Here, as in South America, the general income of the people is low and consumption is correspondingly light. The possibilities of increasing consumption in these markets would seem to be good.

Asia and Far East

A general description in Asia and the Far East is not applicable. Japan, for example, is a good cash market and a highly industrialized nation. Since the end of the war, Japan has shifted from a traditionally rice-eating country to predominately wheat eating. This is due primarily to the activities initiated by the U.S. Army under MacArthur, and continued by the Oregon Wheat League in recent years. The Philippines are also a cash market with low per capita consumption, however. Development of a wheat program is in its infancy at the present time. In the other major countries of southeast Asia where market promotion work is being carried on, wheat purchases are principally under Public Law 480, title I. This is especially true of India and Pakistan which offer tremendous market possibilities for the U.S. product providing payment can be made in local currency.

Africa and the Near East

In the Middle East and northern Africa, sales generally will be through Public Law 480, title I, for local currency. In other countries of Africa, however, where the economy is stronger, cash sales are possible. Here also are found some countries with markets similar to Central America where flour has been imported traditionally but mills are now being built. Market development activities are just being initiated in Africa at the present time.

Summary

Wheat market promotion activities follow two general patterns: First, a short-range program that is primarily directed toward expanding present markets or to regain markets which decline for various reasons and next, a longer range pro-

gram designed to increase consumption of wheat and wheat products, with emphasis of course on enlarging the ultimate market for U.S. products. Results from the latter of course cannot be expected in the immediate future.

In view of the increased competition being offered by numerous wheat-producing countries, the U.S. producers are making every effort to expand activities and establish programs to hold or expand the traditional markets. In some areas, the governments of other wheat-exporting countries take a very strong hand in supporting market development. This is being done by various means, such as offering special concessions on credit terms. Sometimes it is being done by offering high-quality wheat at lower than world market prices. In other cases, the manner of support consists of the government controlling all phases of the industry from the producer through the export channels, thereby tailoring all activities to a highly effective export program.

If the U.S. wheat producers are to meet this challenge, they will need all of the help they can muster within the several wheat-producing States. In addition, they will continue to need the assistance of the U.S. Government through the Foreign Agricultural Service which has been available for some time. The successful cooperation of both agencies toward the common goal can only be accomplished by mutual understanding and close cooperation.

Summary Statement by Gordon P. Boals, Director, Export Programs, Millers' National Federation re Market Development Program for Wheat and Wheat Products

The Millers' National Federation is the trade association of the U.S. milling industry. Its members account for about 85 percent of the total mill grind in the United States (representing nearly 600 million bushels of wheat in 1959) and almost 100 percent of the wheat flour exported. Flour mills are located in 39 of the 50 States and in the District of Columbia. The federation for many years has also maintained both a domestic promotion program (Wheat Flour Institute) and an export programs department for foreign project activities. Some of its member mills, it may also be noted, are among the most active U.S. companies in market and product promotion, particularly in the food and agricultural industry.

The foreign market promotion work now underway for wheat and wheat products is being handled partly as direct projects and partly on a joint or coordinated project basis by the Millers' National Federation and the two regional wheat producer organizations—the Great Plains Wheat Market Development Association representing the Midwest wheat producers (Nebraska, Kansas, and Colorado) and Western Wheat Associates representing the Pacific Northwest growers (Oregon, Washington, and Idaho).[1] As indicated, projects in over 20 countries in 4 continental areas are now receiving active attention by our respective organizations.

Unlike most other surplus commodities, the great potential market for wheat and wheat products appears to be in the extensive underdeveloped areas of the free world, especially in Asia, Latin America, and Africa. This situation, of course, presents many operating problems and will require some time to show maximum results. It is estimated, however, that there are more than 600 million people in these regions who scarcely know anything about wheat foods at the present time. An even greater number in these areas need more food to overcome hunger, improve health and increase work output, and wheat foods are among the most plentiful and economical available.

Increasing the per capita use of wheat foods in these highly populated areas is one of the major objectives of our market promotion activities. As wheat is not consumed as grain but in product form, such as breads and rolls, cookies and crackers, pastas, cakes and pastries, and other products, it is obvious that any program to increase the consumption of wheat must give careful attention to the factors affecting the production and consumption of such products. One of the basic requirements for any effective promotional work, of course, is to have adequate supplies at all times and of such qualities and types as are needed by those who make a wide variety of wheat foods for consumer use.

Two approaches are being used generally to meet this objective: (1) Efforts to remove the bottlenecks, restrictions, and misunderstandings presently facing imports of U.S. wheat and wheat products. (2) Educational type programs (i.e., school lunches, trade fairs and exhibits, demonstrations, movies and film strips,

[1] Also, see statement submitted by Great Plains Wheat Market Development Association.

posters, booklets, and other informational materials) to acquaint those who are not now consumers or who are only limited users with a wide variety of wheat foods and the important part they can play in the diet of almost everyone everywhere.

The market promotion program has not only saved but substantially increased the market for wheat and especially flour in Colombia, South America, where the Federation has carried on some active project work during the past 3 years. The consumption of wheat foods in that coutry has been approximately doubled during this period and further gains are in prospect. The section 104(a) program has also enabled us to work actively on many problems presently restricting the imports of U.S. wheat and flour in a considerable number of other countries as well as to help mobilize the joint efforts of experienced industry personnel and producer groups with U.S. agencies in the development of a variety of needed and useful promotional materials and procedures.

If the per capita consumption of wheat foods can be doubled or trebled in many of these countries during the next few years, and it is now so low that such gains seem reasonable, the increased demand for wheat and wheat products could use a substantial part of our present surplus stocks on hand. One daily slice of bread per person for the people of these countries would require over 1 million bushels of wheat daily or nearly 400 million bushels a year. It is an objective that appears worthwhile and mutually beneficial both to the importing as well as to the supplying country.

Mr. HOPE. Now, Mr. Chairman, may I take a few minutes to sum up the position of the cooperators in the market development program for whom I am speaking today?

Our position is that the Agricultural Trade Development and Assistance Act, as mentioned, should be administered according to its terms and in accordance with the intent of Congress as clearly shown in the legislative history of the measure.

The record is clear that (1) the basic purpose, although not the sole purpose, of the legislation was to develop markets abroad for American agricultural products; (2) that it was intended that agricultural market development be given priority over other nonreimbursable U.S. uses in the use of foreign currencies, and that to insure the carrying out of such purpose, 5 percent of the sales proceeds and loan payments should be earmarked for market development purposes, subject to congressional approval in an appropriation act; (3) that the Secretary of Agriculture has the authority to determine how long market development work should be carried out; (4) that special efforts should be made to convert Public Law 480 foreign currencies for use in countries which are or can be expected to be dollar markets; and (5) that if funds for such purposes are not otherwise available, special sales agreements should be negotiated with such countries for the sole purpose of generating such funds.

In spite of the clarity of congressional language and intent, we now have a situation where the Bureau of the Budget is attempting to fit this program—that is, the fiscal parts of it—into a framework where it does not belong.

In doing so, the Bureau ignores completely the intent of the act, and if its objective is accomplished, it will seriously handicap, if not destroy, the effectiveness of the principal purpose of this legislation.

Mr. HORAN. Mr. Chairman, might I intercede there, to tell you that the Subcommittee on Commerce refused in part the use of foreign currencies for specified research in various countries, particularly Poland, Israel, and India?

Mr. HOPE. Specifically what the Budget Bureau proposes to do as far as the market development program is concerned is to disregard entirely the provisions contained in Public Law 480 giving

priority to the use of foreign currencies for market development and earmarking 5 percent of the total sales proceeds and loan repayments for that purpose.

Instead of foreign currencies being allocated to the Department of Agriculture as provided by law, it is proposed that dollar appropriations be made for the purchase of foreign currency under certain restrictions.

These restrictions which the Bureau of the Budget has in mind are in the form of a suggested appropriation, a section set out in a document entitled "Report on Control Over the Use of Foreign Currencies." It reads as follows:

> For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by sections 104 of that act to remain available until expended $————, of which not less than $———— shall be available to purchase currencies which the Treasury Department shall determine to be in excess to the normal requirements of the United States: Provided that this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f)—

and that 104(f), of course, is the provision for using currencies to pay the obligations of the United States—

> unless such currencies are excess to the normal requirements of the United States: Provided further that the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available in the name of the bureau or agency for the foregoing purposes of such section 104 (blank) is appropriate as of that date and shall be merged with this appropriation.

As indicated in the first proviso above, no funds so appropriated could be used to purchase foreign currency which was available for paying U.S. obligations abroad, unless such currencies were excess to the normal requirements of the United States. The use of such language if valid would have the effect of destroying all priorities now given by law for the use of local currencies for market development purposes and the probable result would be to prevent the use of any foreign currency for market development in dollar market countries, thus ironically destroying the program for which the Agricultural Trade Development Act was set up in the first place and the program which has generated this supply of foreign currency.

Let me conclude now by restating our position as follows: We believe that under the law as it stands, there is but one thing before this committee. That is to decide how much of the earmarked 5 percent funds should be appropriated for the fiscal year 1961.

On that principle, we stand, and we hope the committee will be impressed with the viewpoint we have presented.

However, if this committee, for whose collective ability and good judgment I have the highest regard, feels that it should give some heed to the Bureau of the Budget and should make a dollar appropriation for the purchase of currency, than I and my associates would like to respectfully suggest that in lieu of the language proposed by the Bureau the following be used:

> For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes of market development activities under section 104(a) of that act, $13,621,800, and for the purposes of section 104(m) of that act, relating to agricultural and horticultural fair participation and related activities, $1 million, to remain available until expended: *Provided*, That the dollar value of the unexpended balances as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Foreign Agricultural Service for the foregoing purposes of

such sections 104(a) and (m) is appropriated as of that date and shall be merged with this appropriation.

Now, I want to call particular attention to this last sentence which reads as follows:

The amount of foreign currency which under the provisions of any sales agreement may be converted to the currency of other countries for market development activities shall be made available for purchase with this appropriation out of first accruals under such agreement.

In other words, that would restore or maintain the priority which we have under the law as it now stands. That is, that the market development activities have under the law as it now stands.

This language, while not in harmony with our construction of the intent of Congress, will, for the reason that it does provide for dollar appropriations, in our view make it possible to secure and use foreign currency in the market development program in such a way as to continue and expand present programs, and successfully achieve its ultimate objectives.

Mr. Chairman, that concludes my statement.

Mr. WHITTEN. Mr. Hope, we thank you for your statement on behalf of your group.

For the record, I can thoroughly appreciate the interest that you and others would have, as well as members of this subcommittee.

Mention was made of the provision which I wrote and which the House adopted, and the legislative committee accepted. And that provided that in the use of these funds, it would be subject to the appropriation process of the Congress.

I don't recall exactly my statement on the floor. However, in an effort to get the use of these foreign currencies approved by this subcommittee and by the Congress, I am sure I made the committment that we were not trying in any way to retard or slowdown such use.

It was our belief, having had some experience in dealing with foreign currencies, which are a little easier to spend, that unless there was a formulation of specific projects with proper planning, and unless there was some clearinghouse to which the users of these funds had to account, we would probably end up with less results.

Mr. HOPE. May I say that I don't want anything I have said or implied to mean that we are not in favor of that provision.

Mr. WHITTEN. I am certain of that.

Mr. HOPE. We are glad to have the oversight of this committee in connection with these appropriations.

Mr. WHITTEN. I appreciate the gentleman's statements. I want to say again that my comments don't come from taking any issue at all with the presentation here. I was just explaining our feelings in the matter.

Frequently we judge what results we are getting by the amount of money being spent. I get wires and telegrams from all over the country to give so much money for research. And then many witnesses come in here pointing out how much we spend on research in other activities of the Government, including atomic energy and space research.

So if we need more money for agricultural research, or market development, we ought to have it, but it ought to stand on its own bottom. Comparing it with what we have in some other fields, doesn't get anywhere with me as such.

We do have our problems on the committee with getting funds through the Congress. We suffer from speeches by our President and our Secretary of Agriculture about what agriculture is costing.

I think Public Law 480 was a splendid law for the disposal of our surpluses. I said then, and I say now, that I accepted that law with great fears and misgivings, because I was afraid that the Congress would use it as a means to just get the surpluses out of sight and would delay by reason of that many years a solution to overproduction, which is really our problem.

I think that day has come. I was disappointed to hear the Secretary of Agriculture say that he had sent up recommendations for further expansion of Public Law 480 sales, and that he had approved the use of funds to build warehouses in foreign countries so that we might have another year's supply for that country out of sight in the warehouses over there.

Now, getting rid of surpluses is all right if in the process you are working on this end to stop future overproduction.

Now, I have heard many witnesses testify—and I am in accord with them—that Public Law 480 sales should be charged up to foreign aid. However, we are just kidding ourselves if we don't believe that in the public mind, Public Law 480 sales is an expense of agriculture, whatever it might be.

Now, looking a little further, in our efforts on this committee to get down to funds for research and market development, our charge as I see it is to get results for the funds that we now use. In other words, when we find out what the existing research is doing and where it is that we haven't got enough money to do the research job, then we have something to sell to the Congress and the country.

Now, in this particular area, I think it is thoroughly sound to set aside the full authorized amount for agricultural marketing. Because after all this is charged up to agriculture. It is in the agricultural bill.

In the public mind, it is agriculture. And, therefore, I think if we have got to carry that load the 5 percent of that foreign currency generated should be set aside.

I would say that, in spite of the action of the Bureau of the Budget, it may in effect be set aside; because the Bureau of the Budget now requires these other departments to pay for this currency. So they may continue available under that statute even though there hasn't been any official set-aside.

If we see evidences that these funds will be dissipated in other directions to the point of endangering this 5 percent, we should take appropriate action. I don't know at the moment that there is much danger, in view of two or three other subcommittees cutting out these requests.

Now, the other thing is that this congressional surveillance of use of foreign currencies is new. Recognizing that, I feel that we are willing to go along on a rather hit or miss basis for a year or two until we can get this thing in proper order.

But again—I am speaking for myself only—we were in thorough accord with the desires of you and your group. I certainly shall urge that we protect agriculture in this regard.

On the other hand, I hope the time will come when groups can come to us and say, "Now, listen, we are doing this project and this project and this project. We have got this project pending. And we need

funds to do this." Then we will have a chance to see the end use, which we in turn have to sell.

Mr. HOPE. May I ask a question there?

Mr. WHITTEN. Yes.

Mr. HOPE. I do not know how fully these programs which are carried out with the foreign agricultural service have been presented to your committee as far as expenditures.

Mr. WHITTEN. We have asked them to do it in such detail as they are able to at the moment.

Mr. HOPE. But it hasn't been presented at this time?

Mr. WHITTEN. I say it has been supplied for the record to the extent that they have it. So we have it available up to this point.

Mr. HOPE. Yes. Well, of course, I am not sure that I am speaking for everybody here. But I assume that all of the cooperatives are able to furnish information concerning the expenditures and projected expenditures on the projects in our organization. We have prepared such figures which we will be glad to submit to you.

Mr. WHITTEN. I will be glad to have you, if it is not too inconvenient, to supply to the committee a statement showing the foreign currencies that are not available presently under the budget or otherwise, and which are needed.

If you could spell out the projects that are badly needed that you don't feel are covered in the budget requests, please do so.

I wish to thank you for this explanation of the complications involved in carrying on this market development. I can understand the problem which results from the fact that in those areas where there is a real chance to build up markets, there is often a limited amount of currency available. And, therefore, we have got to give thought as to how we can protect the interest that agriculture has in the use of these generated funds.

I certainly feel that we must take appropriate action. And I notice that you do recommend language which you feel will do that. We certainly will consider your proposal in connection with action on the language submitted by the Bureau of the Budget.

Mr. HOPE. Mr. Chairman, I know we have taken a great deal of time, which we appreciate. If the committee would like, there might be some other members of the group here who might want to say just a word or two on this point.

Mr. WHITTEN. We would be glad to have it. And may I say to the group, that if you wish to submit any additional statements for the record, we would be pleased to have you do so.

Are there any further statements at the present time?

STATEMENT OF MR. READ DUNN

Mr. DUNN. If I may, I would like to make a brief statement.

My name is Read Dunn, director of foreign trade, National Cotton Council.

I want to first express appreciation again for all of us for the opportunity to come before the committee.

I have a prepared statement here which I will not read but will offer for the record, Mr. Chairman, which seeks to present briefly the program and the type of activities and the projects in an effort to justify the use of the funds.

Mr. WHITTEN. We will be glad to have that in the record.
(The document referred to follows:)

BRIEF SUMMARY OF THE COTTON MARKET DEVELOPMENT PROGRAM

(By Read P. Dunn, Jr., executive director, Cotton Council International, March 16, 1960)

PART I. THE PROGRAM

Cotton Council International currently has cooperative programs to expand cotton consumption with industry groups in 12 countries: United Kingdom, Sweden, Italy, Spain, France, Austria, Belgium, Holland, Germany, Switzerland, Finland, and Japan. We are negotiating for programs in Portugal, Norway, Denmark, and Greece, which will complete Europe. We also have market research programs in India and the Philippines to explore possibilities in the underdeveloped countries. We are also providing technical assistance to producing countries for their own programs, particularly Mexico and Colombia.

The total budget for these programs currently is over $2.5 million annually. Of this, Foreign Agricultural Service is supplying half in foreign currencies under Public Law 480. The other half is supplied by the foreign industry associations on a private and voluntary basis.

More important, the joint industry programs have stimulated private manufacturers and retailers to undertake their own research and promotion to expand cotton sales. We estimate the new expenditures by these individual groups are more than $10 million annually. Thus, the foreign contribution is more than $10 for every $1 USDA provides.

The National Cotton Council spends around $150,000 annually of its own funds supervising these programs.

The most impressive fact is that 90 percent of this activity did not exist 4 years ago. Most of these programs came into being because of the incentive of funds and technical assistance through the mechanism of Public Law 480.

About 225 separate projects are currently being carried on by about 160 specialists in the foreign associations under the general direction of Cotton Council International.

The promotion programs are guided by careful studies of the market, the distribution system, the products, the competition, and the customers, supplemented by fundamental research in the influences on demand of income, price, quality, and customs, etc. Some 68 separate market studies have already been published.

The studies show one of the biggest opportunities to expand consumption is through cutting fabrication and distribution costs. Though we haven't finished the studies, I am personally convinced that clothing prices in many countries could be reduced as much as 25 percent by simple and relatively inexpensive improvements in fabrication and distribution. No other single improvement could have as significant an effect on consumption, expecially in the low income countries.

Market research is locating reasons for high costs and pointing out opportunities for cost reduction. Making these facts known through education and publicity, like at the recent European conference on textile distribution, are furthering the objective of reducing these costs and increasing consumption.

Another real problem is the high cost of maintaining a wardrobe. To cut these costs we are encouraging use of minimum care finishes, encouraging textile groups to work with washing machine companies to make better home machines available at prices people can afford. Incidentally, a lot of textile money has recently gone into the washing machine industry.

In Germany we found a way to cut laundry costs in half just by changing the cut of the shirts and arranging the buttons so the shirts can be ironed by machines instead of by hand. Now instead of changing his shirt three times a week the Germans can change every day for no extra cost. We have a better chance to increase his wardrobe.

In the more advanced countries of Europe we found textiles are not benefiting by the higher incomes, primarily because they are being outpromoted by the consumer durables. Textile manufacturers have been inclined to make what they have made for years. Retailers have been inclined to put their goods on the shelves and hope people would come along and buy them.

In this country, largely through the techniques of research, development, and promotion, we expanded the consumption of cotton in apparel 46 percent from 1947 to 1957, while consumer expenditures generally increased only 37 percent.

We are simply trying to show industry groups in these other countries how to apply these established American marketing techniques.

We start with fashion for a simple reason.

The objective is to get people to be better dressed and to make their homes more comfortable and more attractive with cotton. Fashion is the means first of making people conscious of their wardrobes and then of stimulating desire for a better wardrobe.

Fashion is the locomotive that pulls the big volume train.

Fashion is also the easiest way to get public attention.

The first step is to enlist the cooperation of the designers—those who create fashion.

The next step is to tell the rest of the world of the designers' acceptance of cotton.

As an example, not long ago in Venice we helped arrange the first international cotton fashion show. It included the finest and newest in cottons from the world's top designers: Classic designs from the United States, Switzerland, Indonesia, France, Japan, and Italy.

The event was covered by the world's leading fashion magazines, wire services, radio, and television. Movies of the show are still circulating on TV and at meetings of women's clubs all around the world. This was the greatest publicity event cotton has ever known.

We use the personal appearance technique in fashion shows, television, and expositions as much as possible, but the best media for the mass audience is still still the printed page.

Photos, mats, stories, and bulletins are distributed regularly to some 5,000 newspapers and magazines in 10 countries. The results include thousands of pages of newspaper and magazine space, practically all obtained free because of the news value.

In addition to high fashion, the promotions include street and sportswear, children's clothes, aprons, blouses and lingerie, men's wear, outerwear like raincoats, household furnishings, and industrial items like canvas awnings.

Stretching the season

The cotton season in Europe has been 4 warm months. We are stretching it to 12 with linen campaigns in January and February, back-to-school campaigns in the fall, household and all-weather coat campaigns for winter, and cottons for Christmas.

New fall and winter cottons are revolutionizing the European fashion industry.

Paris ads now proclaim "Cotton laughs at winter."

In Italy 46 percent of the last fall and winter collection was cotton. Before there were almost none.

Public relations

As part of the general education program our movie—to tell what cotton does for you—has already been translated into 10 languages and shown in some 44 countries, shown in the public schools, in women's clubs, and theaters.

Ready-to-wear

Until very recently little ready-to-wear clothing was available outside this country especially for women and children. Market research revealed the big problems were poor quality, small selections, high prices and prejudice. We are working directly with the manufacturers to improve quality, style and selections, and lower costs—we are encouraging advertising campaigns to build prestige for ready-to-wear, or pret-a-porter as the French say. The Common Market in Europe could greatly expand consumption in ready-to-wear.

Retailers

One of the most important is the retail sales training program to teach store managers better selling methods and teach individual clerks the best and most effective arguments for selling cotton products. Sales training books, copies of our "Why Cotton?" have been translated into seven languages. About a quarter of a million copies have been distributed.

These are supplemented by lectures and training courses.

More than 20,000 retail stores in 5 countries last year participated in national cotton weeks, modeled after our own.

Others organized White Weeks like our own for the first time.

Window contests created special national interest in many countries.

They publicized the special events in many ways—like parades in Japan.

These programs are infusing new spirit into the cotton industry around the world—changing the attitude from defeatism to optimism.

The goal of another 2 pounds of cotton per person around the world—another 10 million bales in consumption—is getting closer every day.

More important, industry and Government are cooperating in a practical demonstration of fundamental American philosophy—selling American concepts of market elasticity in preference to the static concepts of the Old World, helping the industry groups of the other countries apply established American marketing techniques to provide more goods and services for the people of their countries—bigger export opportunities for the United States.

PART II. RESULTS

The programs are definitely proving effective. Not only is the downward trend in cotton's share of many of the fiber markets being slowed or stopped, but market research shows a strong increase in demand for cotton products, especially those apparel products that lend themselves to promotion.

Cotton mill activity in the program countries is increasing, and so is the demand for cotton.

PART III. THE PROBLEM

These programs are essentially long range in nature and must be continued through a period of years to achieve their maximum effectiveness.

It is necessary to have funds committed sufficiently in advance to assure the continuity of the program, to permit advance planning, to encourage industries to create the organizations to employ the professional staffs and institute the private financing program. Up to now, funds have been provided for only 1, or at most 2 years at a time. Often the programs have run to the expiration time without any assurance of funds for their continuation. The reason given was usually a lack of those particular funds.

The current appropriation proposal we are told would provide funds for only 2 to 3 years, inasmuch as this is the limit set by the Bureau of the Budget. However, the Bureau allows funds for contract research for a 5-year period. The contracting period for market development should be as long as for research.

The most important problem is funds for the developed countries. We are definitely of the opinion that by far the best opportunities of expanding markets for cotton for dollars in the immediate future are in the developed countries of Europe and Japan.

However, the budget proposal would limit foreign currencies that may be authorized for this purpose to excess currency countries—currently Poland, Yugoslavia, Egypt, India, Pakistan, and Israel.

This policy would mean that funds for Europe would have to be provided by regular dollar appropriations. This would have the effect, we fear, of practically eliminating the programs and would be contrary to the purpose and intent of the enabling legislation.

Public Law 480, as amended September 21, 1959, provides that 5 percent of total sales under title I after September 21, 1959, shall be made available in advance for market development over such period of years as the Secretary of Agriculture determines would be most desirable; that particular regard should be given to provide in sales and loan agreements for convertibility of such amounts of the proceeds thereof as may be needed to carry out market development in countries which are or offer reasonable potential of becoming dollars for markets for U.S. agricultural commodities; and that if such foreign currencies for carrying out market development are not otherwise available, special sales agreements may be consummated to generate funds to carry out market development in countries which are or offer reasonable potential for becoming dollar markets for U.S. agricultural commodities. Furthermore, in their reports on the extension and amendment of Public Law 480, both the Senate and House Committees on Agriculture forcefully stated that market development was a principal objective of Public Law 480, and that the use of Public Law 480 foreign currencies for market development should be given priority consideration. Considering the language of the legislation and the reports of the Senate and House Committees on Agriculture, there is no question as to the importance which Congress has put on market development utilizing Public Law 480 foreign currencies.

The intent of the amendment is entirely clear. However, no provision appears to have been made to provide the set-aside of funds as directed.

It does not even appear the funds would be sufficient for operation of current programs for the next 2 or 3 years. The total amount might be sufficient, but

most of the currencies are in underdeveloped and not in developed countries where they are especially needed. There is no assurance the currencies indicated in the developed countries in the illustrated budget will actually be available to the Secretary of Agriculture when they are needed. There is no assurance that any funds may be converted for market development purposes from one country to another whenever they can be more effectively utilized.

We understand that under the authority of the amendment to section 104(a) provision is being made in current sales agreements that up to 2 percent, but not in excess of the equivalent of $1 million dollars per year may be requested by the Secretary of Agriculture for use in third countries to carry out market development activities in such countries. It is our opinion that such converted currencies would enable continuation of the current programs in the developed countries that afford reasonable potential of becoming permanent dollar markets.

However, we are advised that the Secretary of Agriculture does not intend to request convertibility in most program countries in view of the recently announced policy of the Bureau of the Budget.

We believe this convertibility is necessary and should be arranged as provided by the statute.

We also urge the Appropriations Committee to assure the currency permitted to be converted under the program agreements be converted and made available to the Secretary of Agriculture for market development within the limit of this appropriation.

Mr. DUNN. If I may speak to the point that Mr. Hope developed a moment ago: We are not here asking an increase in the total appropriation as suggested by the Department. And we are not asking a change in the basic procedure as recommended by the Bureau of the Budget and submitted by the Department.

What we are asking specifically is a slight change in the funds which would apply to the purchase of dollars. And for this reason.

The illustrative budget which was submitted shows a total fund of $13.6 million. And the suggested language says that:

Of this at least $4.4 million be purchased from these excess currencies.

This is the problem: We think that the distribution of the currencies suggested—not the total amount, but the distribution of the currencies suggested—will not enable the right money to be in the right country at the right time.

Mr. HORAN. Mr. Chairman, if you will permit. Just what changes do you specifically point out for us to consider in the suggested language which I find on page 77 of the committee print.

Mr. DUNN. I don't recall whether Mr. Hope pointed out in his discussion that the language which we are suggesting be used.

It drops that suggested proviso in the suggested language submitted by the Department, which says "Of which not less than 4.4 in excess currencies"; and then it drops language which says that this must be over and above the normal requirements for U.S. uses. Also, it adds the proviso at the end.

Mr. HORAN. That is in your statement, isn't it?

Mr. DUNN. Yes, sir. It is in the statement on page 10.

If I may read this again to make some explanation of it.

Adding this sentence to the language which was suggested by the Bureau.

Mr. HOPE. This is the bottom of page 10 on the prepared statement.

Mr. Dunn (reading):

The amount of foreign currency which under the provisions of any sales agreement may be converted to the currency of other countries for market development activities shall be made available for purchase with this appropriation out of first accruals under such agreement.

That is the language.

Now, the reason for that again is this—as Mr. Hope pointed out—but if I may add a word to it: As I stated, it is our view that the $4.4 million of excess currencies in all likelihood will not provide sufficient convertibility to carry out these programs in Europe and Japan.

For instance, out of our 14 programs, 12 of them are in Europe and Japan where there are no 480 agreements contemplated at the moment.

The 480 agreements are with other countries.

Now, the excess currency countries are India, Israel, Pakistan, Poland, United Arab Republic, Yugoslavia.

Mr. HORAN. Now, Mr. Chairman, I am confused here. Now, this 480 program and the use of these counterpart funds, or whatever you want to call them, was designed originally to help the exporting of American agricultural commodities. That was one of the basic purposes.

Who determines where they are going to have these programs? Is it where we have possibility of markets, or what?

You say that in your particular area there is no 480 plan contemplated for use.

Mr. WHITTEN. Could I interject here?

Mr. HORAN. Yes.

Mr. WHITTEN. One of the problems quite naturally is that the basic act requires that these sales shall be in addition to normal sales. And where the evidence shows a country can supply its needs with dollars, then you can't use 480 sales unless it is in addition to what you normally would sell.

So, if the country has got the dollars and buys its needs, that leaves no basis for approval of a 480 sales agreement, nor does it leave any local currency in that country available for this purpose.

The problem exists in those agreements whereby it is provided that some of the local currency may be in turn converted into currency of other foreign countries. Unless this committee gives attention to protecting agriculture's right to those currencies so generated, we may find out we haven't got any currencies to carry out this program.

And with that in mind, I am sure the committee will give real attention to protecting this to the fullest extent that we can.

We wish to thank you again. And please bear with us. If any of you wish to file a statement for the record, we will be glad to have it.

Mr. HOPE. I think, Mr. Chairman, you have given us a very generous allocation of time.

We appreciate it.

(Additional statements of the tobacco industry may be found on page 523.)

(Prepared statements of the Dairy Society International and Institute of American Poultry Industries follow:)

SUMMARY OF MARKET DEVELOPMENT ACTIVITIES BY DAIRY SOCIETY INTERNATIONAL, WASHINGTON, D.C.

In promoting milk we have all the difficulties outlined by the other industry cooperators—and this besides: milk is a highly perishable commodity which can neither be stored nor shipped in its original state. Milk must be processed into a shippable form—dry milk, cheese, butter, evaporated and condensed milks. All these products are in international trade, but are exported in large measure by the closest allies of the United States—countries like New Zealand, Holland, or Denmark—which must export or die economically. Not only must we not cut across these trade lines, but we must find additional markets—for our own dairy products and for those of these good friends. We have concentrated our efforts

in the milk-short areas but unfortunately in these areas milk has all too often been suspect from the quality and sanitation standpoint. Any effort to increase consumption would have to be a long range, patient effort which would succeed only if the local industry joined in.

The great asset is that milk is rated nature's most perfect food, its high protein content badly needed in the areas of diet deficiency, its stamina building properties essential to the countries turning toward a quick industrialization. In the bulk of the Public Law 480 countries milk has been a paradox—a vital infant's food and yet a luxury. Practically no safe fresh market milk has been available. Consumption figures tell the tale: in Peru, Iran, Thailand, and Brazil, as examples, the consumption of milk equivalent has been less than 50 pounds per capita annually as against the U.S. 750 pounds per capital and Ireland's spectacular 1,500 pounds.

Modern technology, much of it through scientific U.S. developments, has perfected a process of recombining (using dry shippable dairy products) which is capable of supplying any community in the world with fluid milk and a whole range of dairy products. Exportation of this technique, plus consumer education programs like those of the National Dairy Council and the American Dairy Association has seemed to provide a large part of the answer to building new markets. A plant for demonstration of recombining was assembled at the Bogotá (Colombia) Fair in 1955, with a DSI team of industry volunteers to man it. Everybody was impressed with the demonstration. Our 17th such demonstration has just concluded in Bombay; our 18th being planned very shortly for Verona. More than 3,500,000 samples meeting U.S. public health standards have been distributed. In a number of cases these loaned plants have stayed in the fair countries—one in Bogotá, two in Yugoslavia, two in Spain, and three in India.

In our long range effort we seek a three-pronged export: of technology in milk processing and in milk promotion; of dairy products, of course, and of capital and modern management to work together with local men to build firm commercial enterprises. In Thailand we have all three in the United States-Thai recombining plant in Bangkok. To assist this new enterprise, on December 31 DSI completed our third year of nutritional education work combined with the proven U.S. technique of giving the customer a chance to taste the product, largely through schools on a two-weeks-at-a-time milk and ice cream sampling program. Consumer commercial orders invariably followed the sampling and the American-Thai operation is over the initial stage of introducing new products to the consuming public of this non-milk oriented country, but there is evidence that withdrawing market development support prematurely threatens to limit the earliest possible achievement of the maximum market potential, thus limiting the amount of U.S. product utilized on a continuing basis. In our opinion, such programs should be projected on a 5-year basis, especially where the pattern of product acceptability must be developed by changing food habits. Already it has attracted wide attention from other Far Eastern areas where geography and climate make a milk industry difficult to establish.

In Colombia we had the reverse situation—a strong locally established producing industry, with almost no attention given to quality and merchandising. In the first year, as a result of the program, milk consumption in Bogotá was raised 35 percent. Our following 1-year program in Medellín, on a share-alike cost basis with the principal processing plant, raised consumption an estimated 17,000 quarts daily. High priority was placed on reducing infant mortality. As shortages of local milk developed, U.S. supplies were purchased by processors to fill their needs.

In 1958 our efforts took a new tack in four countries—Brazil, Burma, India, and Pakistan. Here we are working with local food or educational entities to develop new foods which combine U.S. dairy products with local foodstuffs in excess or plentiful supply. We hope for inexpensive, nonrefrigerated, consumer-popular foods using coffee and cacao in Brazil, molasses and peanuts, say, in India.

Third party matching funds contracts have been written with qualified institutions in India, Pakistan, and Burma and early stage work is now being completed.

In Brazil, through a more than matching funds contract with the Fundacao Para Melhor Refeicao Matinal—local cooperators being important dairy and food processors including a General Foods affiliate—research is being performed at the State of Sao Paulo Medical School on the medical, physiological effects of a balanced breakfast, including milk.

This is the first phase of what will be a continuing, locally financed, better breakfast campaign.

In Chile we contemplate two market development programs with new recombining operations established through DSI cooperation and a consumer-education

campaign with milk producers in the Santiago area. Similar activities have been discussed for Peru, Ecuador, and Iran.

The ball of interest is rolling ever stronger. We see it constantly in the correspondence flow from literally all over the world. The U.S. dairy industry, long preoccupied with its local marketing, is beginning to think in terms of the importance of this program to each of the 3 million (plus) dairy producers and the 17,000 processors in the United States. They are relating, as never before, the domestic adequacy of supply with sound marketings overseas in order to maintain price and supply stability.

This dairy program of oversea market development outlined in sketchy detail above, is the outgrowth of a new concept and philosophy, namely, stepped up joing government-industry cooperation in bringing about a more rapid paced and fiscally sound marketing solution to tremendous overhanging postwar commodity surpluses. The dairy industry, like many others, had devoted relatively little attention to such existing opportunities.

From the very earliest stage it became apparent that these programs required easier (and achievable) terms of purchase for such commodities. Subsequently, Public Law 480, enabling the payment of local currencies for eligible commodities, passed the Congress.

An important provision of this act, 104(a), prescribed the kinds and methods of market development activity which were permissible under the law and, in fact were encouraged by congressional passage and administrative advocacy. In a real sense, then, this set forth the recognition and importance of a priority position for market development.

On the strength of this encouragement, important commodity groups began the task of rallying industry interest and applying the financial and other resource requirements to this new activity.

Based on experience, historical patterns of exports relative to domestic marketings, financial resources available to cooperators overseas, relationships with like commodity overseas groups, etc. some industry groups were able to program quite rapidly. Those less well organized, required more time. For example, a large share of the dairy cooperator's resources were—and are yet—applied to the basic job of rallying industry support. Meantime, several important problems were developing, based on the projects underway. These, simply stated, were:

1. Need for continuity of program.
2. Need for long-range planning and objectives.
3. Need for mobility.
4. Need for availability of funds and product.
5. Need for stability in cooperator-FAS relations.
6. Need to live with project.

Let us look at each in slightly more detail.

The countries offering the most promising marketing potentials for dairy products are studied in detail by survey teams of expert volunteer industry specialists in collaboration with FAS officials, through contacts with established trade sources, by society members resident in these countries or were the staging point of a trade fair which focused attention on local industry deficiencies and the solutions offered by better technology and a dependable source of U.S. supplies, as necessary.

Enlisting local industry interest in a correctional, modernizing program which would bring increased product confidence, stepped up demand and greater sales, inevitably leads, by degrees, to local industry cooperation in our programs, including the assumption by local interests of important operational costs. This process requires an unshakable continuity in order to maintain the progress achieved and to confidently build toward the mutually agreed upon goals. Too often our programs have been "nipped in the bud", often at the very period of fruition, by lack of applying understanding, financing and follow-through. For example, in Colombia, after encouraging and actually building a joint program which resulted in 500 tons of new U.S. dairy sales to that country, in the second year of project operations—with additional orders placed for the succeeding year—an arbitrary decision was reached in FAS to halt all activity. This left the cooperator relations with local interests in an extremely vulnerable position and lessened Colombian confidence in our entire operations there.

This experience points up the need for long-range planning and the phasing of achievable objectives. The very organization of traditionally divided oversea interests is, in itself, a laborious task—one that is time consuming. Yet it is the necessary first stage in many countries which, based on per capita income, consumption and habits offer first-class developing markets for U.S. dairy products.

Realistic goals with projected cooperator commitments, based partly on sales results, are extremely important initially understood criteria. Consider for a moment the chaotic effect on international relations if we were to conduct all our foreign programs on a basis of full support this year, none next. Neither can we not operate market development programs in this manner.

Opportunities endlessly arise in market development activities where immediate sales opportunities for U.S. products come to the attention of the cooperator. In many of these circumstances a trip to the plant of the buyer, most frequently to render technical assitance or to assist with important details, is requested. By the time the cooperator completes the designated steps of Government approval for such a trip, the buyer has turned elsewhere for his supplies. Therefore, there is need to keep in mind that complete cooperator flexibility and mobility are necessary parts of the most effective market development program.

DSI, as indicated above, has had to respect existing trade lines of allies. These dairy exporting nations, largely concentrated in Europe and the down under countries, have almost fully satisfied the dairy product requirements of most countries in Europe. This factor, together with the high standard of living in Europe generally, has resulted in per capita consumption of milk equivalent reaching or exceeding, that of the United States in most of this area. Consequently, DSI, as the dairy cooperator, has focused its attention toward the developing countries of Latin America and the Far and Middle East. This is not meant to indicate that the U.S. dairy industry is not awake to sales opportunities as unusual circumstances arise, such as the drought of last year in central Europe. Substantial U.S. dairy shipments were made at this time, these being partly responsible for the temporary "out-of-stock" position of dairy products.

The very nature of the economies of the developing countries require more time, longer range planning, development of technical aspects, and qualified, responsible trade relationships. To try and capsulate this process—and the financing therefor—represents a great error.

Fortunately for DSI, the market development activity, in these areas at least, has not been hampered by lack of funds as severely as those in the more critical currency areas. However, that time may come and we must recognize that these relatively "small money" programs are one of the best investments our Government is making.

The extension of Public Law 480 and the provision in the amendment to set aside 5 percent of the proceeds of sales or loan repayments is a clear indication of the recognition of this important activity by Congress.

This distinguished industry-Government achievement must not be diluted by encroachments on the fund sources, either by other activities allowed under Public Law 480 or budgetary procedures which seriously hamper availability of funds or convertability to achieve them.

Dairy is the sole commodity where depletion of stocks has been experienced due partly to increased sales as a result of the program but principally to "giveaway" programs which return nothing to the U.S. Treasury.

The U.S. dairy industry expressed its concern of this, through DSI, in an export policy paper presented to Assistant Secretary Miller and FAS officials on January 22, 1960. A copy is herewith attached.

While all cooperators realize that as programs develop new horizons open, it was a considerable wrench to discover that, overnight, FAS contemplated changing completely the framework within which market development cooperation could be carried out. Originally, when FAS encouraged industry groups to cooperate, a requirement of 5 industry cents for each Public Law 480 dollar equivalent applied was set. In the spring of 1959, this proportion of required cooperator funds was jumped from 5 to 50 percent, a limiting factor at a time when Congress had earmarked 5 percent of Public Law 480 currencies for market development. Additionally (and in the minds of some cooperators, arbitrarily), FAS stipulated that key personnel for the oversea programs must be paid in dollars by the cooperator. This, it appeared to some cooperators, was in complete disregard of the fact that programs are run by people and that staffing is a major part of any program. To insist that this be carried entirely by the cooperator seems unfair and an evasion of responsibility by FAS. For fiscal 1962, FAS is talking about matching funds, a further limiting factor.

Cooperator groups must go to industry for support of these programs and are greatly handicapped by having constantly to report a higher and higher amount required for the same job.

Point 6 is related, in part, to point 5. Particularly in the dairy industry, where sanitation and quality control play such an important part in sales appeal, there

must be resident in the project country someone who can give technical assistance on these points, so that confidence can be stimulated for all milk foods, and thus pave the way for increased import of dairy products. Aside from the question of lopsided staffing requirements, there should be funds available to allow for such technical assistance, even where there is not a full-scale project in operation. Third-party cooperators (such as oversea institutes and universities) do not operate in a vacuum. They must be encouraged and led. (The one exception, in DSI's experience, is the Better Breakfast Foundation of Brazil, led by Brazilian branches of internationallyoperating food processors.) Budding recombining operations must be encouraged on the spot; import regulations eased and other actions taken to pave the way for a long-range project.

DAIRY SOCIETY INTERNATIONAL—JANUARY 22 DELEGATION

Bernie F. Beach, DSI director; consultant, lately president, Michigan Producers Dairy Co.; recently special adviser to UNICEF and FAO.
A. J. Claxton, chairman, DSI special committee; national director of trade relations, Beatrice Foods Co.
D. G. Colony, member, DSI special committee; president, Manton-Gaulin Manufacturing Co., Inc.; president, Dairy Industries Supply Association.
L. H. Conlon, general manager, Minnesota Dairy Industry Committee.
Frieda Everett, director of information, DSI.
Roberts Everett, managing director, DSI; executive vice president, Dairy Industries Supply Association.
M. J. Framberger, member, DSI executive committee and DSI special committee; general manager, American Dairy Association.
Arden Grudem, DSI director; secretary-treasurer, Falls Dairy Co.
Owen K. Hallberg, DSI director; general manager, Dried Milk Products Cooperative.
J. Lyle Hamilton, assistant secretary, Challenge Cream & Butter Association.
T. L. Jones, director of information, Dairy Industries Supply Association.
Gordon Lamont, vice chairman, board of directors, DSI; dairy and food industrialist; corporation management consultant.
Lyman D. McKee, vice president, DSI; partner, McKee Bros.; president, Madison Milk Producers Association; president, American Dairy Association.
George B. Pfeifer, president, DSI; general manager, North Star Dairy.
E. A. Pool, manager, manufacturing division, Dairymen's League Cooperative Association; chairman, American Dry Milk Institute.
Otie M. Reed, Washington representative, National Creameries Association.
Shelby Robert, Jr., DSI director; market research director, Pet Milk Co.
George O. Tiffany, member, DSI executive committee and special committee; secretary and assistant vice president, Unilac, Inc.
Hunter A. Towne, export division, Land O'Lakes Creameries, Inc.
H. S. Wagner, director of secondary products, Pet Milk Co.; vice chairman, American Dry Milk Institute.
J. T. Walsh, member, DSI special committee; director, American Dry Milk Institute.
George W. Weigold, projects and technical director, DSI.

EXPORT POLICY PAPER FOR PRESENTATION TO THE FOREIGN AGRICULTURAL SERVICE OF THE U.S. DEPARTMENT OF AGRICULTURE BY THE DAIRY SOCIETY INTERNATIONAL, COOPERATOR WITH FAS IN PUBLIC LAW 480 MARKET DEVELOPMENT PROGRAMS

PROLOG

Technologically still in relative darkness, owners of scanty, poor herds, primitively struggling, Americans of the 1600's—colonial Americans—nevertheless had the vision and will to export dairy products. Farm-made cheese and butter, in home manufactured firkins, were shipped in substantial quantities to the West Indies and in occasional smaller amounts to Great Britain. Also there was a somewhat later era when Ireland and our coastal colonies or States were mutual challengers in international dairy trade.

And there has been no succeeding period without foreign marketing of U.S. dairy products. There were even late 19th century decades when American cheddar was the world market's prime, a supremacy lost only by a lowering of quality.

Yet there has never been a sole and universal export policy accepted by the U.S. dairy industry as an article of strong economic faith, because, with certain

regional or time exceptions, export has never been the primary outlet for U.S. dairy products. Export, in the overall, has been an undramatic incidental. For long its very perishability kept milk of any nation from headline rank in the commerce of the world. Dairymen of the United States had a continent to spread across and feed. Only in the last 50 years have advances in dairy technology and in animal breeding and animal and human nutritional science put dairy products into relatively conspicuous place in the trade of nations.

There is no opposition to export in the U.S. milk production and dairy industrial fields. On the contrary export trade is desired—but has not been earnestly striven for by each of the many fragments of the many-faceted field. Never in international trade matters have these fragments and divisions acted in unison. That there are now attainable great export trade values for the whole U.S. dairy economy is literally a new idea, but a steadily spreading one, in some parts of that complex economy.

So there has been historically no national dairy congress to meet annually and say—or authorize a few spokesmen to say: "This is the export policy platform of the U.S. dairy field entire—as to each and every product, as to price and time and movement, as to when and how to market, as to last year's consequences, next year's imperatives, as to 'We now put before you, Messrs. Legislators, * * *', as to 'Mr. Secretary of Agriculture, these are our circumstances; these are our needs; here our precise program to the 365th day, to the last gallon and hundredweight, to the fractions of the smallest per centum, upon which we base our desire for Government collaboration: we request your consideration in the name of every producer, processor, handler, and exporter of a product of the soil and of animal husbandry which has a retail annual value of $12 billion, one-fortieth of this Nation's yearly gross national product.' "

But today, with respect to broad elements of export policy for the next several years by which to achieve further export markets * * * by Government and industry in collaboration * * * there are spokesmen with an industry voice.

With confidence they can address the highest servants of the U.S. people through Dairy Society International. Their patent to do so is that organization's 13-year-long status vis-a-vis the world's dairy industry, its present status in relation to the elements of producer, processor and equipper supplier in the U.S. industry, and its present cooperator relationship to Foreign Agricultural Service.

It is these spokesmen—serving as a duly constituted and charged Committee of Dairy Society International, on which are serving also the full membership of the executive committee of DSI's board of directors and numerous other members of the board—which now presents this policy paper to Foreign Agricultural Service.

At suitable times, and with the cognizance of FAS it is intended that some of its content shall be made available, in similar or adapted form, to certain other administrative officers within USDA, and to concerned officers in the State Department, on the White House staff and in pertinent Federal and international loan agencies.

Moreover, outstanding U.S. dairy industry leaders and organizations have indicated a purpose of informing certain members and committees of the U.S. Congress of the central purport of what this paper sets forth.

THE NEW HORIZON

DSI knows—FAS knows—that there are new marks on the horizon which call to a following of new courses in achieving new markets for dairy products.

These courses merge in one large, potent purpose and long-range effort: "Increase milk's total world consumption."

Of new markets to be created by lifting world consumption a primary proportion can be won and largely held for U.S. dairy products.

For clarity concerning the new marks on the horizon we go back briefly to World War II—which forced fateful increases in U.S. milk production and in diversions of milk from accustomed patterns of use.

U.S. dairy products in vast volume were pumped into wartime and postwar export pipelines to every continent, to feed U.S. fighting men, Allied forces and war-blighted peoples. Milk from the United States saved in all climes hundreds of thousands, probably millions, of lives.

Then postwar stirrings among improverished but at last seemingly politically freed peoples lifted into passionate determination an intent thereafter to achieve and hold to the possession of adequate healthful foods. Across the world milk foods had acquired new top rating.

Within the 1940's and 1950's hundreds of millions of the world's masses suddenly (as measured against all preceding change-lacking time) became psychologically receptive to the doctrine of milk as giver of health and insurer of vigor.

By the same tokens, the conversion of that psychological openness into an actual consumption of milk suddenly had become a massive possibility—granted the availability of certain instruments and courses:

A. An entity or entities with the purpose and will to proceed in that new path of venture;

B. Consumption-promotive education taken to the foreign areas;

C. Providing to the willing populations access to safe milk and its various natural products.

A. DSI, formed in 1946, both by design and by events became molded into an entity devoted to the new purpose.

B. Skills and knowledge at once became available to DSI for effective consumer education—but not adequate funds to apply these in many countries.

C. Would there be the necessary milk available if and when the educational promotive funds were found?

The answer to C:

In most of the areas open to the new opportunities, because of soil, climate or other reasons, production of milk on such a scale as to approach the barest minimum health requirements of the populations was and is known to be impossible—or if in theory possible not likely to be achieved for many, many years.

So, indigenous milks could not suffice. Product imports by the countries would be imperative.

The United States and the few other excess-producing nations would have to be the export sources. Every such source naturally to some degree and at some period could be expected successfully to claim parts of the new markets.

In each source country except the United States, however, acreage limitations and population pressures set obvious and relatively close ceilings upon future milk production increases. Should the massive opportunity be massively and skillfully exploited the permanent new demands could rather soon exhaust present world milk production and its practicable increases elsewhere than in the United States, U.S. milk could be from the first available. U.S. milk would be also the longest available. Even if Russia's present economic growth rate should be sustained long enough that that country's milk production ultimately might challenge or exceed a maximum potential U.S. production, U.S. milk meanwhile would have filled a new market voids and could continue to fill them substantially and in most parts of the world.

Still, it appeared even into the mid-1950's very doubtful that the massive opportunity was to be seized. There were no available funds, since the totals required were beyond the interest or will of an industry not basically export-minded to provide. True, there were unprecedented Government-held surplus stocks of dairy products in the United States, overhanging the whole world market, but no discernible vision in the governments of the excess-producing or excess-potential nations, singly or severally nor in the dairy industries of those nations—Holland, Denmark, New Zealand, Australia, etc.—to proceed other than traditionally, piecemeal, and in narrow competition, to capitalize on the world's new receptiveness to milk's "gospel."

Why was there this inertia in the United States? Partly because many men in industry and Government retained the skepticisms of things as they had been before World War II. In the forefront was this: "We now have product to ship overseas. But there's always been rise and fall in U.S. milk production. Heifer calves will go to the butcher again with the next big shift in the corn-beef price ratio. Then where will be our milk for export? No, let the other countries take care of foreign trade."

This fear of impermanency of available U.S. supplies has been, in fact, one historic checkrein upon U.S. dairy industry willingness to build greater export outlets. If reasonably stable new foreign markets could have been miraculously self-created, the U.S. industry in almost any past period could, and readily would have geared its production and processing to fill their needs. But, in the face of likely inconstancy of supplies, to invest in a new foreign market building program that could be only slow, long and infinitely difficult (under pre-World War II conditions) chilled any intermittent impulse toward export enterprise by the U.S. dairy industry as a whole.

That chill still lingered in the air in the early 1950's.

It is a chill—to leap ahead briefly—that has returned to U.S. producers, processors, and exporters in the last 2 years because of the giveaway of Government stocks on a scale that has forced suspension of a valuable

volume of export sales and has dismayed foreign buyers. Such extensive giveaway was humanitarianly justifiable in the immediate postwar years. It is a greatly hampering influence in new foreign market development today.

PUBLIC LAW 480 ENTERS

In 1953, financially aided by International Cooperation Administration's predecessor agency, Dairy Society International organized a first World Congress for Milk Utilization, held in Washington. Growing numbers of influentially well-informed persons were becoming aware of the new opportunities.

Many aspects of these opportunities rapidly became clearer following the Congress. The massive loss which could come from disregarding the new horizons began to be recognized.

Soon, and it was entirely logical, as of that time, although it proved to be premature, in 1954 and 1955 DSI advocated what came to be known as the DSI-Tiffany plan, a far-seeing proposal of the then President of the Society, George O. Tiffany. This envisioned the excess-producing nations working in conjunction to establish and exploit new around-the-world milk marketing beachheads. Through a study of diversified reactions to this plan from many countries, the aspects of the new opportunities became clearer still.

Then suddenly it was realized that an unexpected way was opened for a setting forth on a broad front by the Government and the industry of the United States to take advantage of the beckoning prospects.

Geared to the tremendous production demanded in World War II, U.S. agricultural output had continued at such postwar levels that the towering accumulation of costly surpluses induced the U.S. Congress in 1954 to enact Public Law 480.

This, indeed, had world dairy implications:

The free world's leading nation, possessing the greatest present dairy production potential, had legislatively recognized the massive opportunity and authorized a first advance upon it;

The motivation was in part to remove a surplus—but by using that surplus and inevitable near future renewals of it for that very self-removal purpose, in the process generating certain funds for promoting new export markets;

Such new markets established through a use of resources greater than those the industry alone might provide could banish a stultifying industry fear of impermanence of stocks for export, because to supply broader foreign markets showing evidence of reasonable stability the industry could and would arrange to produce year after year;

And an adequate exportable percentage of Government-held or further annually accumulated surplus logically would have to be steadily available at prices effective in the world market until substantial market development programs had had time to produce the new markets of reasonable stability.

THE ADVANCE BEGINS

Its board in 1956 authorized DSI's becoming dairy industry cooperator with Foreign Agricultural Service in the latter's pursuance of the purposes of Public Law 480's title I, section 104(a). FAS and DSI signed a market development agreement for dairy products on February 8 of that year.

DSI's action in assuming the cooperator role was in line with a philosophy formed through the society's preceding 10 years' work. The philosophy's crystallizing had been well served by DSI's contacts with its members' problems in nearly 50 countries, its holding of the first World Congress for Milk Utilization and its relationship to the DSI-Tiffany plan.

Since 1956 this philosophy has been strengthened in the course of DSI's work with FAS and of its independent contacts with dairy events and problems around the world.

Many soundings by DSI, going beyond its membership, fail to reveal that the DSI cooperator philosophy is regarded with disfavor by any widely representative elements in the U.S. milk producing or dairy processing fields. Moreover, DSI is aggressively supported by steadily increasing numbers of membership units and by large organized groups in the U.S. industry. The DSI cooperator philosophy takes on the broad stature of a current export market development policy acceptable to the U.S. dairy industry as a whole.

With respect to FAS and U.S. foreign market development, the DSI philosophy, then, is fairly stated like this:

1. New foreign markets, howsoever or by whom developed or served, broaden the world's total utilization of milk and hence absorb world surplus, and to the degree of such absorption clear the way throughout the rest of the world for new or further utilization of U.S. milk.

FAS representatives repeatedly have recognized the validity of this premise. Pertinent to and a logical consequence of it—and a logical essential to a giving of full practical effectuation to Public Law 480's purpose as regards dairy products—is that the U.S. Government do whatever may be governmentally required to enable the U.S. industry to become reasonably and fairly competitive in the world market.

2. It follows, then, the premise of "increase total world milk use and the U.S. gains" that at least until the FAS–DSI program momentum makes it clear that substantial new markets are being established there should be uninterruptedly available to U.S. exporters export priceable stocks in quantities sufficient to permit aggressive commercial followthrough behind the market promotions; and any possibility of cutoff of such supplies should be announced to all concerned U.S. industry parties at least a year in advance. Giveaway of Government held stocks should never be allowed to encroach upon adequate set-asides for commercial use. (It is recognized that Foreign Agricultural Service does not control the accumulation or disposition of stocks.)

The "lift world consumption and the United States will benefit" philosophy—thoroughly, consistently and successfully applied—need not tie U.S. export dependency to one or two or three possible new markets only, but may, in certain circumstances (as earlier indicated), make practicable a free-ranging, competitive serving in whole or in part of many new markets. It may lead, too, to a maintaining of an advantageous exportable reserve from which other exporting nations—after they have reached their respective production ceilings, may draw for serving the markets which they have developed or in which they have footholds.

There are other tenets in the DSI cooperator philosophy:

3. The product scope of FAS–DSI market development activity should include any natural dairy product for which a prospective demand appears developable.

4. To assure development success, in many instances technical assistance must be provided to local producers, processors, distributors, and handlers in order to—

Increase general consumer confidence in milk and dairy products;

Dissipate local industry opposition to FAS–DSI activity and, induce ultimate local industry financial support.

(FAS has repeatedly recognized this point. Giving such assistance has been demonstrated not to lessen, but enlarge, the field for imported product in a milk deficit country.)

5. Most widely, most rapidly, with maximum influence toward world economic stability, the massive psychological opportunity which exists should be, if possible, jointly exploited—but in accordance with clear ground rules—by the United States and other excess producing nations; and when circumstances appear favorable DSI influence and advocacy witll point thereto.

To convert the present still in part only passively expressed U.S. industry satisfaction with this policy into a support that harnesses full industry energy and large-scale dollar participation requires:

Further time;

Continued DSI educational work within the U.S. industry;

USDA action as in point 2, above;

Thorough recognition not only in USDA but also in all other U.S. Federal governmental branches, departments, and agencies concerned with domestic agricultural welfare and/or with foreign economic development, of DSI's role as industry link in a lifting of free world strengths in and by means of the products and interests of a particular field; and

More affirmative, more imaginative, longer range collaboration by FAS.

WHERE, HOW, WHAT: 1960–64 INCLUSIVE

It has taken the 1956–59 years for DSI to imprint a recognition of the current FAS–DSI massive opportunity to build new export markets upon the consciousness of the U.S. dairy field. The imprint is being steadily deepened by systematic DSI effort as well as by the self-seeding of the logic represented by the facts we have here presented.

Within the past 4-year period FAS–DSI cooperation has demonstrated the relative effectiveness, in varied circumstances, of many market promotional techniques and accomplished many worthwhile objectives. It has increased outgo of dairy products from the United States.

DSI's activities before 1956 were in essence spring training for its present work with FAS. The 1956–59 accomplishments of FAS–DSI not unfairly may be compared to those of a season's first and important games: the shakedown of a team: its opponents abroad the teams of undernourishment, of infant mortality, of poverty, of hesitance to try the new, of mass backwardness combined also, however, with mass need, mass eagerness for improvement and obvious mass gratitude. Changes in host country governments, inertia or oppostion in some governmental quarters in the United States, imputations of unworthy exploitive motives occasionally met abroad—none of these opponents has prevented FAS–DSI gains in a dairy products market development program.

DSI is very proud of what has so far been done in a pioneering undertaking. It knows that it can do still more—per dollar or dollar equivalent, per hour, per unit of energy expended, per project, per country, per objective—hereafter as FAS cooperator because of the 4 years' shakedown experience the FAS–DSI team has now gained.

We seek for FAS–DSI collaboration now a 5-year look ahead and, in the light of the content of this paper, a framework for joint planning and action for 1960–64 inclusive.

The geographic areas of the massive new opportunity are in general Latin America, the Mediterranean and Near East, Asia and the Far East, and a few African spots.

DSI today has existing membership, past or current servicing or other work-gained contact or foot-holds, or knowledge acquired as an FAS cooperator, in or of the following countries in those areas; and considers further development of markets possible in each:

Latin America and Caribbean:

Argentina	Colombia	Peru
Aruba	Curacao	Surinam
Bahamas	Ecuador	Trinidad
Brazil	El Salvador	West Indies Federation
British Guiana	Haiti	
Chile	Honduras	

Mediterranean and Near East:

Greece	Turkey
Israel	Yugoslavia
Spain	

Asia, Far East, and Africa:

Burma	India	Pakistan
Ceylon	Iran	Philippines
Formosa	Japan	Saudi Arabia
Ghana	Libya	Thailand

DSI can and will if opportunity is presented by FAS, readily prepare itself also for market development activity in other countries in these areas; e.g.:

Latin America and Caribbean: Bolivia, Mexico, Paraguay, and Uruguay.

Mediterranean and Near East: Italy, Portugal, and United Arab Republic.

Asia and Far East: Indonesia, Korea, and Vietnam.

None of these countries is by even moderate standards of nutritional dairy foods requirements self-sufficient now.

For varying reasons none holds forth a prospect of ever becoming self-sufficient by such standards or, in a possible few exceptions, within less than several decades.

In relatively few of the countries is a dairy industry now well enough organized to be an immediately likely contributor to an FAS–DSI market development activity. In several of them such a prospect can be gradually developed.

In all of the countries dairy foods consumption-increasing education is desirable for the welfare of the populations.

In some the market development potential merits only very limited first-stage work. Effective early activity in none need be of the "hard-sell" kind.

In several of the countries Public Law 480 funds have not been generated.

In total, however, the areas present that massive psychological opportunity which is the new factor as to market development potential in the dairy world.

Careful analyses by both FAS and DSI are obviously required to determine—

Which of the countries where openable doors exist offer the most inviting prospects;

A desirable and practicable timetable of prospective entries;

The nature of the projects that can be set in effective motion in each.

DSI is now engaged in studies leading to its part in such a determination.

Broadly the amalgam of market development methods the elements of which in varied combinations DSI in direct experience or by privileged observation, and either as FAS cooperator or independently has found to be productive, is made up of—

1. Nutritional and sanitation education of consumers;
2. Technical assistance to producers, processors, distributors, etc.;
3. Uncovering of dairy industrial opportunities;
4. Working with governmental and private entities to increase support of projects.

The details of applying these methods become almost numberless; they include:

A. Adaptations, suitable to the varying economies and cultures, of the techniques.—

(*a*) Of the medical, nutritional, dairy school and common school educators;

(*b*) Of the county agent, of the dairy fieldman;

(*c*) Of the dairy processing technologist;

(*d*) Of the humanitarian who influences leaders (officials, the professional classes, religious leaders, industrialists, social-betterment individuals) who are themselves the great further influencers of the respective peoples' attitudes;

(*e*) Of the publicist whose tools are posters, leaflets, newspapers, radio, TV;

(*f*) Of the industrial showman, the dramatic technologic demonstrator, under roof in great fairs or, elsewhere, with mobile equipment;

(*g*) Of the sampler to the home, the school, the factory, the barracks, and in the marketplace, etc., etc.

B. The enlisting of the collaboration of other economic motivators, public or private, local, or based elsewhere.

DSI has had greate experience in building new consumption of dairy products in milk-deficit countries than any other nonprofit entity. Yet the scope, the resources—and the time—required to demonstrate what in any one country can totally be accomplished have not yet come to hand.

The dairy industry wants DSI to move forward and will support it commensurately as it advances. DSI is ready for efficient advance, to be made gradually, measuredly, but steadily more widely. Each new project undertaken in that advance will not only increase DSI's performance power in the field but will induce stronger U.S. industry support in a long-range program.

The following are the types of project which DSI proposes that FAS authorize—for countries to be appropriately selected within the broad milk-deficit areas already named—and to employ varying combinations of the types of market development methods at DSI's command—projects designed to lead to—

(*a*) Increased uses of U.S.-produced natural milk ingredients in further fluid milk recombining;

(*b*) Increased uses of U.S.-produced natural evaporated milk or development of foreign production of evaporated milk from dry natural milk ingredients produced in the United States;

(*c*) Increased uses of U.S.-produced dry nonfat and dry whole milk, inexpensively packaged for individual consumer purchase, the packaging to be done in part abroad;

(*d*) Increased uses of U.S.-produced natural cheese including its uses in blendings with cheeses locally produced abroad;

(*e*) Increased uses of each and all of the food elements of U.S.-produced natural milk in the development of marketable combinations of these elements, singly or in total, with food substances produced and long accepted in host countries, not, however, in combinations of foods in which an element or elements of natural milk are displaced by substitutes therefor;

(*f*) Increased production abroad of U.S. types of ice cream, using U.S. dry natural milk ingredients;

(*g*) Continued presenting of dairy processing and dairy product sampling demonstrations in international and other trade fairs;

(*h*) The staging through mobile processing units of lesser versions of such demonstrations (as just above) in single country important fairs; in principal municipalities; before especially assembled influential groups, etc.;

(*i*) Educational demonstrations collateral to selected programs of charitable distributions of U.S.-produced natural dairy products in other countries, to minimize consumer misuse, waste, or diversion of the giveaways;

(*j*) A small pilot bination market development activity to demonstrate possibilities of successful effort by the United States and one other excess-producing nation through DSI to lift world consumption of natural milk products in part United States produced;

(*k*) Holding of a Latin American Congress for Milk Utilization in Chile, Peru, Colombia, or Brazil;

(*l*) Holding of a Mediterranean Congress for Milk Utilization in Turkey, Greece, or Spain;

(*m*) Holding of an Asian Congress for Milk Utilization in India, Pakistan, or Thailand; and

(*n*) Selective attendance from all countries at a Second World Congress for Milk Utilization in the United States.

An outline of a proposed flexible master program into which may be fitted specific projects in support of the purposes listed above and to apply such methods as are also listed above in countries of the areas identified above has been prepared in sequel to this basic 1960 export market development policy statement. It is available for immediate consideration by FAS—jointly, it is proposed, with the staff and an appropriate subcommittee of the undersigned committee of DSI—as a preliminary foundation upon which to develop, in the light of this industry policy statement, an outlining of specific projects and a calendar for their activation within the 1960 to 1964, inclusive, period.

Respectfully submitted,

COMMITTEE ON NEW PROJECTS AND NEW SUPPORT.

A. J. Claxton, chairman of committee; national director of trade relations, Beatrice Foods Co.
Bernie F. Beach, consultant, lately president, Michigan Producers Dairy Co.; recently special adviser to UNICEF and FAO.
D. G. Colony, president, Manton-Gaulin Manufacturing Co., Inc.; president, Dairy Industries Supply Association.
Roberts Everett, ex officio; managing director, DSI; executive vice president, Dairy Industries Supply Association.
M. J. Framberger, general manager, American Dairy Association.
Owen K. Hallberg, general manager, Dried Milk Products Cooperative.
William Hitz, owner, Rosebud Farm; president, Iowa State Dairy Association; vice president, American Dairy Association.
Milton Hult, ex officio; chairman of board of directors, DSI; president, National Dairy Council.
Gordon Lamont, ex officio; vice chairman of board of directors, DSI; dairy and food industrialist; corporation management consultant.
Lyman D. McKee, ex officio; vice president, DSI; partner, McKee Bros; president, Madison Milk Producers Association; president, American Dairy Association.
George B. Pfeifer, ex officio; president, DSI; general manager, North Star Dairy.
Shelby Robert, Jr., market research director, Pet Milk Co.
George D. Scott, vice president, Ex-Cell-O Corp, Pure-Pak Division.
George O. Tiffany, secretary and assistant vice president, Unilac, Inc.
Grover D. Turnbow, president, Foremost Dairies, Inc.
J. T. Walsh, director, American Dry Milk Institute.

FLEXIBLE MASTER PROGRAM, MARKET DEVELOPMENT FOR DAIRY PRODUCTS, FAS–DSI, 1960 TO 1964, INCLUSIVE, AS PROPOSED BY DAIRY SOCIETY INTERNATIONAL, JANUARY 1960

PURPOSE

To increase the overall worldwide safe consumption of milk in its varied forms and uses, thereby, to the benefit of the United States and of cooperating countries, opening up new markets for natural milk and its products, particularly in milk-deficient areas of Latin America, Asia, the Far East, and Africa, and in the Near East and other areas bordering the Mediterranean; and in so doing to safeguard existing markets for dairy products in those areas.

PARTICIPATION

In addition to the utilization of Public Law 480 funds under the Market Development Agreement between Dairy Society International and the Foreign Agricultural Service signed on February 8, 1956, DSI shall seek third-party collaboration in specific projects by host country dairy organizations, health groups, government ministries, educational and research institutions, private entities, etc., and in particular circumstances will seek collaboration with government authorities and agencies of other friendly milk-producing countries.

INDUSTRY CONTRIBUTION

Although projects contemplated will be launched in and affect areas which lack a tradition of cooperation among dairy industry entities, DSI will make every effort to obtain monetary and other contributions to the projects from third-party collaborators in a host country and from other appropriate sources to add to the U.S. industry contribution channeled through DSI; from past experience total industry contributions may in good time in many instances reach one-third of the total of FAS and industry contributions to respective projects.

PROJECT ACTIVITIES

Each project shall be tailored to a pattern mutually beneficial to the United States and a host country and appropriate to the particular conditions of the host country, taking into consideration population growth prospects, levels of living, health levels, urbanization, food habits, existing international trade in dairy products and local interest or potential interest in its expansion, potential for indigenous dairy economic development, existing or anticipated activities of international agencies, and other factors of known or apparent pertinence.

Projects may take any one of a number of forms. In general these shall bear upon the following objectives:

1. *Estimation of the potential market.*—Provision, if not otherwise obtainable, of adequate market potential data by a qualified DSI person or persons who shall study and appraise in a host country milk-producer practices and attitudes; methods of milk handling; availability (or prospects for bringing into use) of other than primitive dairy farm or milk handler facilities and equipment; facilities, practices, and attitudes of milk processors; activities and attitudes of dairy products importers; public attitudes toward milk and dairy products; etc., etc. Participation in an international trade fair often will serve this collateral purpose as well as provide a beginning (or sharper pointing) of consumer education.

2. *Education of consumers.*—To be accomplished in combinations of some or many of the following ways, as conditioned by the appropriate scopes of respective projects:

(*a*) Demonstrations (with product sampling) at international and other trade fairs.

(*b*) Samplings of locally produced recombined products or other U.S. dairy products (e.g., consumer-packaged nonfat dry milk, dry whole milk, cheese, evaporated or condensed milk) in local markets through controlled short-range distribution to schools, hospitals, government departments, medical and dental groups, teachers, soldiers, urban laborers, etc., coupled with a popularized accenting of milk's goodness and nutritional value.

(*c*) Obtaining of supporting interest among influential leaders in health, athletic, beauty, child welfare, educational, publicist, community, religious, industrial, etc. fields, through lectures, demonstrations, professionally and vocationally pointed textual and pictorial material, etc., etc.

(*d*) Mass education in milk's benefits through media such as newspapers (publicity), radio, TV, magazines, etc., lectures, films, pamphlet and poster distribution, etc.

(*e*) Institutional type advertising (newspaper, magazine, radio, possibly TV) of nutritional benefits of milk, ideally in collaboration with local dairy interests and ideally coordinated with echo-giving advertising of local or U.S. brands or company names.

(*f*) Demonstrations of product goodness and availability by means of small mobile units equipped for any or all of the following: limited-batch quick-consumption fluid milk recombining; ice cream mix freezing and ice cream serving; demonstrating (in line with (*h*) below), with locally accepted food-preparation accessories, convenient uses of butter, cheese, dry and evaporated milk with indigenous foods, following simple recipes.

(*g*) Demonstrations before indoor groups of cooking and handling techniques for the various dairy products, especially those new to the local public (also, in part, in line with (*h*) below).

(*h*) Localized recipe development and distribution to facilitate combining of dairy products with local foods.

(*i*) Utilization of school lunch and other free milk distribution programs to present educational materials on milk to both pupils and teachers.

(*j*) Conducting comparative tests on schoolchildren receiving and not receiving milk foods as diet supplement in light of growth, weight, scholastic attainment, absenteeism, etc.

(*k*) Conducting similar tests, stressing productivity and absenteeism on factory groups receiving and not receiving dairy products.

3. *Enhancing the salability of imported dairy product* by brightening the consumer image of milk and its products basically—through primary steps to lift local milk and dairy products quality and handling methods to higher standards.

4. *Inducing local dairy interests to support the respective projects.*—Both 3 and 4 to be accomplished by diplomatically providing technical assistance to dairy farmer, dairy processor, and milk and dairy products distributor—in some or several of the following or kindred forms:

(*a*) Sanitation fieldwork with key milk producers.

(*b*) Educational demonstrations for milk producers generally at agricultural fairs.

(*c*) Short courses in herd-health and milk sanitation varyingly geared to milk producers; milk inspectors (if any); and dealers in dairy farm equipment.

(*d*) Short courses in dairy technology, varyingly geared to key personnel of processing plants; to health officers; to processing equipment dealers.

(*e*) Seminars; showing of technical movies and slides; lectures, conferences for or with groups of farmers; of processors; of distributors.

(*f*) Awards of distinction to distributors for adopting or intensifying hygienic practices.

(*g*) In some instances guidance from DSI's technical director by correspondence; supplying of technical books and magazines; visits of DSI, FAS technical advisers.

5. *Development of new uses of dairy products.*—(*a*) Introducing conventional U.S. dairy products if they are not already in use; if in use, extending consumption to new groups of users—products such as ice cream (made from exported components); fluid milk (recombined from exported dry ingredients); consumer-packaged nonfat dry milk; cottage cheese; chocolate and other flavored drinks; buttermilk; etc. To be accomplished by DSI encouragement of local or U.S. entrepreneurs; DSI technical assistance, often; at times DSI assistance in arranging for importation of product and equipment; and sometimes DSI assistance in seeking loan sources; etc.

(*b*) Adapting conventional dairy products to the host country's conditions and tastes; e.g., by developing combinations of cheddar cheese with local cheeses; "toning" buffalo milk with nonfat dry milk solids; making ghee, samna, etc. from butter; making fermented milk drinks from dry ingredients; etc.

(*c*) Developing, appropriately to host country conditions and tastes, new food forms and combinations in which some proportion of one or more dairy products or one or more elements of milk is used with such nonmilk foods or elements of foods as are locally produced or inexpensively obtained locally. (Uses of one or more of the elements of milk in a combination of foods in which a substitute for another element of milk is included are not here intended.) Accomplishment may come through experiments in U.S. industry laboratories as a contribution to a project; or under contract by research institutes in a host country. When developmental results are promising, localized market testing may be authorized; if such testing results so warrant, commercial producers (with capital of U.S. or host country nationals or both) may be sought; if commercial prospects so justify, marketing assistance may become the basis of a supplemental project.

6. *Developing technical Competence in host country.*—This is looking toward the future when the markets developed under the program can only be held if product quality is maintained. Project funds may productively supplement U.S. or U.N. technical training programs for promising host country men by covering the trainees' travel costs. DSI effectively may help coordinate U.S. and U.N. activities as they bear on the dairy industries by arranging practical itineraries and in-plant training sites, by aid in arranging for scholarships, by providing practical posttraining career counsel, etc., both through Washington and in the host country.

7. *Developing a framework for future milk use increase.*—Since Public Law 480 market development program funds are available only on a short range basis, an element of each project shall be the laying of groundwork, going beyond the activities of 4 above for future continuation of promotional and technical efforts. There being now in none of the countries within the areas to which this program applies any public or private entities of purposes such as those of the U.S.-developed National Dairy Council or American Dairy Association or Federal State agricultural extension services DSI shall seek to bring into being in a host country entities or activities such as these:

(*a*) National and/or local organizations combining NDC and ADA functions.

(*b*) National councils on foods comprising Government and industry representatives, plus FAS, DSI and possibly U.N. agencies.

(*c*) Regional congresses for milk utilization leading toward a second world congress for milk utilization.

(*d*) Incorporation into national all-levels educational curricula of courses in nutritional principles and practice.

(*e*) Incorporation into national specialized educational curricula of courses in dairy and food sanitation science and practice.

(*f*) Establishment of competitive scholarships for study in the United States of dairy husbandry and dairy technology with winners contracting to return to and apply their training in the respective host countries.

STATEMENT BY THE INSTITUTE OF AMERICAN POULTRY INDUSTRIES

The U.S. poultry industry has a new and important market for ready-to-cook poultry meat abroad. Western Europe, especially, has shown rapid growth as a customer for our products.

It has been a little more than 4 years since our exports consisted principally of turkeys and fowl that went to Canada, with some business being done with Mexico, the Caribbean area, and in one or two South American countries. Poultry exports to Europe were only about 400,000 pounds and that went to Switzerland. U.S. turkey and chicken was generally unknown to foreign customers, and our trade, for the most part, had few, if any, contacts with foreign customers.

The Institute of American Poultry Industries was selected by the poultry and egg industry in January 1956 to represent the industry in carrying out cooperative market development activities with the Foreign Agricultural Service of the U.S. Department of Agriculture. In this work the IAPI receives the cooperation and/or financial support of the American Poultry & Hatchery Federation, Arkansas Poultry Federation, Delmarva Poultry Industries, Poultry & Egg National Board, National Broiler Council, National Turkey Federation, Southeastern Poultry & Egg Association, and a number of private firms.

We set about immediately to explore the possibilities of developing new foreign markets and now have a rather extensive program underway in several countries of the world. Our concentration has been on Western Europe. The institute maintains a representative in Italy who covers that country along with Spain. Our European headquarters is in Frankfurt, Germany, and is staffed by our administrator and a representative who covers both Western Germany and Switzerland. And we have a Holland representative at Rotterdam.

Our aim has been, and is, to expand per capita consumption, to increase the total market, to avoid the opposition of local producers, to obtain active support and participation of local industry and even the governments of countries involved in programs designed to better inform the consumer and increase consumption of high quality, highly nutritional poultry products.

At every step of the way we have been pioneering in a new field. Germany, for example, was the world's largest importer of poultry products, but U.S. poultry had never been exported to Germany. There were no buyers interested in buying U.S. poultry. Little, if anything, was known about U.S. poultry.

Today we are supplying slightly over 15 percent of their imports of poultry.

The Netherlands has been the world's largest exporter of poultry, but that country has an extremely low per capita consumption, less than two pounds per year. Up until a short while ago, the import of U.S. poultry was effectively barred as a result of import license control, veterinary regulations, and import duties.

Through the efforts of Foreign Agricultural Service representatives and our representatives these barriers were removed. U.S. poultry is now moving into the Netherlands. We have an active promotion program there. Last year they bought about 6 million pounds of poultry. The Dutch trade, too, are renowned

world traders and there is evidence to indicate these traders may also put the U.S. product into markets not otherwise accessible to us.

We have had to face up to trade barriers and problems of every kind—exchange and license controls, prejudice against frozen products, supply of poultry available from Iron Curtain countries at very low prices, methods of procuring that involved long-range commitments to purchase elsewhere, inordinately high freight rates, protectionism, a timelag between the date of purchase and time of delivery (competing poultry was available on almost a 24-hour basis), and the resultant risk of changing market levels. And, above all, we were introducing a new product that was more highly processed. The fact that the U.S. product was in a ready-to-cook form accentuated the price difference per pound.

Some foreign governments still look upon U.S. poultry products as being unsatisfactory from a sanitation or health point of view.

A tremendous amount of effort by both industry and Government has been necessary in opening up these markets, in conquering these trade barriers. The continual on-the-spot work by our four men stationed in Europe and by marketing specialists of FAS are important in this respect.

Under our supervision and direction an active market development program has been carried on which has utilized techniques similar to those which have been employed successfully by our industry here in the United States.

Our promotion activities include public relations, information service to importers there and exporters here, demonstrations, cooking schools, in-store promotions, market surveys, magazine and newspaper advertising, exhibits at trade and food fairs, active work with public utilities, chefs, and restaurant organizations, cooperative advertising, advertising films.

What has been accomplished? Our total exports of poultry moved from about 28 million pounds in 1955 to nearly 126 million pounds in 1959. In 1959—1 year alone—U.S. exports of frozen poultry meat to Europe went from 22.5 to 73.5 million pounds—more than tripled.

In 0955 West Germany bought about 000,000 pounds of U.S. chickens. Last year they bought 37.6 million pounds. They also bought 7.5 million pounds of turkey and 7.1 million pounds of canned poultry.

Switzerland—about our only European customer then—bought 300,000 pounds of chicken and 16,000 pounds of turkey and other poultry in 1954. Last year they bought 19.6 million pounds of chicken and 652,000 pounds of turkey and other poultry.

One important benefit of our market development program has been the interesting of U.S. poultry trade in the export market.

Last summer, a group of about 20 men from the United States, representing firms interested in exporting poultry, journeyed to the International Food Distribution Congress in Lausanne, Switzerland. From the fair the men went on to other European countries. Here were men with order books who paid their own way to the fair and fanned out over Europe in search of new business.

How much of this interest has been responsible for the export of our products in 1959 to these countries: Canada, Mexico, Panama, Guatemala, the Bahamas, Bermuda, Cuba, the Dominican Republic, El Salvador, Haiti, the Netherlands Antilles, the West Indies Federation, British Guiana, Ghana, Peru, Venezuela, Belgium, Luxembourg, West Germany, Italy, Austria, Spain, the Netherlands, Switzerland, Egypt, Nigeria, Belgian Congo, British West Africa, Liberia, Iran, Israel, Lebanon, Saudi Arabia, Hong Kong, Japan, India, Malaya, Pakistan, the Philippines, Singapore, Laos, Cambodia, and various islands in the Pacific. Aren't the prospects good when you consider the conscious sales efforts that industry in cooperation with Government has been exerting so far in only limited areas?

Millions of people who constitute our foreign markets have money to buy our products and, in addition, have the facilities to handle them, as well as a growing knowledge of what to do with them.

It has been demonstrated that new markets can be and are being established for U.S. poultry. In only a few short years, entirely new markets have been opened. Poultry is a commodity which, with our efficient methods, can be produced competitively. We are convinced that through a continued and expanded market development program we can create a new and ever-increasing demand for U.S. poultry. This expanded program should take place both in the countries where we are now working and in other potential markets. It is essential, particularly now, that we use every means to introduce and maximize our markets, particularly in Western Europe, because of the Common Market which may be more likely to cause increased barriers for U.S. products.

Poultry is produced without a subsidy. It represents the third largest agricultural crop. It is the major consumer of feeds. Think what this market development program means in terms of feed grains consumed, in terms of breeding stock, baby chicks, equipment, and supplies, in terms of the many facets that give health to agriculture's economy.

Chickens: U.S. exports by specified European countries

[In pounds]

	1954	1955	1956	1957	1958	1959
West Germany		100,000	3,500,000	5,600,000	4,900,000	37,600,000
Switzerland	300,000	500,000	2,700,000	6,200,000	12,000,000	19,600,000
The Netherlands	(1)	(1)	100,000	800,000	1,900,000	5,200,000

[1] Less than 100 pounds.

Turkey and other poultry exports to Europe

[In pounds]

1954	28,000
1955	62,000
1956	1,170,000
1957	561,000
1958	3,306,000
1959	8,762,000

Canned poultry exports to West Germany

[In pounds]

1954–56	
1957	31,000
1958	617,000
1959	7,093,000

U.S. exports of poultry meat, by type, to Europe

[In pounds]

	1958	1959
Broilers and fryers	14,007,000	47,705,000
Stewers and roasters	5,230,000	17,015,000
Turkeys	2,379,000	7,348,000
Other poultry and game	927,000	1,414,000
Total	22-543-000	73-482-000

INSTITUTE OF AMERICAN POULTRY INDUSTRIES.

WEDNESDAY, MARCH 16, 1960.

SOIL CONSERVATION DISTRICTS

WITNESSES

RAY DYER, CHAIRMAN, BRECKINRIDGE COUNTY SOIL CONSERVATION DISTRICT BOARD OF SUPERVISORS

JOHN S. WILDER, PRESIDENT, TENNESSEE ASSOCIATION OF SOIL CONSERVATION DISTRICTS

Mr. NATCHER. The committee will be in order. We have with us at this time Mr. Ray Dyer, of McQuady, Ky., who is the chairman of the Breckinridge County Soil Conservation District Board of

Supervisors, and I want to say, to members of this committee, that he is one of my good friends. Mr. Dyer is an outstanding businessman and farmer, and we are certainly delighted to have you with us at this time, Mr. Dyer.

In addition, we have Mr. John Wilder, of Mason, Tenn. Mr. Wilder is a constituent of our colleague and friend, Tom Murray. Mr. Wilder is an attorney in the State of Tennessee. He is also a farmer.

Mr. Wilder, it is certainly a pleasure to have you with us at this time. As I understand from Mr. Zimmerman, who represents the National Soil Conservation Association, your third member who was to appear at this time—Mr. Clyde Spray, of Des Moines, Iowa, was unable to be here, due to the fact that the snowstorm and weather conditions absolutely prevented his appearance at this time. As I understand, he was only able to reach Chicago. So it is impossible for Mr. Spray to be present.

Gentlemen, we are delighted to have you with us at this time, and you may proceed with your statements.

Mr. ANDERSEN. Will the gentleman yield?

Mr. NATCHER. I yield.

Mr. ANDERSEN. Mr. Chairman, I am sure that Mr. Dyer, coming from Kentucky, knows of the great service that Mr. William Natcher has rendered agriculture, both as a Member of Congress and of this subcommittee. I just wanted to call to your attention, Mr. Dyer, that we on this subcommittee feel that he is one of the foremost men in America when it comes to protecting and conserving our natural resources. He very ably represents his district and his State in the Congress, and I am sure you appreciate the value of the job he does.

Mr. DYER. Off the record.

(Discussion off the record.)

Mr. ANDERSEN. We are proud of Mr. Natcher on this subcommittee, and that is why, Mr. Dyer, you will perhaps receive a little more courteous and hospitable reception than the average gentleman across the table from us.

Mr. NATCHER. I want to thank my friend and colleague from Minnesota.

You may proceed.

Mr. DYER. Mr. Chairman and members of the Appropriations Subcommittee on Agriculture, I am Ray Dyer, chairman of the Breckinridge County Soil Conservation District of Kentucky.

My board consists of five members who are nominated and duly elected by the cooperators of the district. We serve without pay. However, we do receive $4 travel expense for each meeting.

In our district, we have 1,497 cooperators who own or control 70 percent of the land; 976 of these have basic plans with much work completed or in progress. We have a full-time conservationist and a part-time conservationist or trainee.

We have a full-time aid and two part-time ones. We have a part-time clerk or stenographer and no funds to pay her with.

We have the north fork of Rough River pilot water shed. It contains 25,568 acres. There are 240 farms; 234 have basic plans with the work plan 85 percent completed.

We expect to work with all agencies to secure the total needs for Breckinridge County. We want our farmers to use the land according

to its capability and treat it according to its needs. We are continuously developing soil and water conservation plans for the farmers and have set a goal of 162 that we expect to aid partially or wholly this year.

Our present personnel can service only one-third of our cooperators. We hope to improve 300 acres of woodland, plant several thousand seedlings, prepare 100 acres of sodded waterway, plant 200 acres of strip crop, secure 75 new cooperators and require or update 50 cooperators with their present plans.

We hope to get work started on two watersheds.

Every church in Breckinridge County will have some form of stewardship work. We will furnish materials and aid to all churches and encourage them to observe soil stewardship.

We will sponsor and give awards to soil judging and other activities for FFA and 4-H.

We will supply every school in the district with the materials and aids necessary to enter the soil conservation essay contest sponsored by the Courier Journal and Louisville Times. Last year, 274 students wrote essays. That many essays represent many hours of research which will make for better conservation practices for years to come.

Our accomplishments will directly reflect the economy of the cooperators. If our economy is good and money for conservation is available, our achievement will be substantial. We endeavor at all times to use all resources available to carry on the program. To set up and put our program on the road, we encourage and receive valuable aid from the county agent, the Farmers Home Administration, the State division of soil and water resources, the Division of Forestry, ACS, SCS, and the Federal land bank.

The Soil Conservation Service will be able to furnish technical assistance to the extent of 1½ man-years. They will provide the farm plans and help with the application of the practices. We wish for more of this type service because we need it badly.

We have tried to set up an effective cost-sharing plan determined by a careful study of funds available, the need and ability to match with labor, money, and use.

The Farmers Home Administration has funds available in the district to assist in acquiring titles, community services, and facilities for soil and water conservation.

FHA is also making direct loans to individuals to assist them with a good conservation program. It makes loans for wells, ponds, good pasture, and to reclaim wasteland.

The State offers aid in many ways from four divisions of State government.

The division of soil and water resources has a revolving fund of $400,000 to make loans to districts to buy heavy equipment with. It will be increased to $600,000 this year. This has proven to be an unusually good plan and to date not one cent has been lost.

The division of forestry furnishes about 20 million seedlings per year and because of a new nursery and stepped-up program will double the amount this year. This division also provides fire protection and woodland management.

The department of fish and wildlife furnishes fish for stocking ponds and lakes, also coon and quail on a limited basis. It furnishes planting materials like multifloral, sericea, shrub lespedesa, and some nut trees.

The department of economics development furnishes topographical maps covering the entire State. They have been most helpful.

Our county has given moral support and recognized our work at all times. The fiscal court makes a direct appropriation of $1,200 which takes care of our incidentals and provides about 1½ days per week of clerical aid.

We are beggars by necessity. We have a job to perform and no permanent financial assistance has been provided to carry on.

Interest in conservation is probably at an all-time high in our district. We have 70 percent of our landowners cooperating. Two-thirds of the cooperators have basic work plans with less than 40 percent of the specified work completed. It will take many years to reach our goal. Conservation is a continuous progressive effort. Our economy will definitely control our effort and attitude. If our economy is good, we will be limited in our work for lack of technical and clerical aid. Our present staff of technicians can serve only about one-third of our cooperators.

We know money is not a cure-all, but we are of the opinion our burden would be lighter and our journey far more pleasant with adequate finances to do a good job in conservation.

Mr. NATCHER. Next we will hear from Mr. Wilder and, by the way, I want the members of the committee to know that in presenting him I failed to inform you that he is the president of the Tennessee Association of Soil Conservation Districts. We are glad to have you, Mr. Wilder.

STATEMENT OF MR. JOHN S. WILDER

Mr. WILDER. Mr. Chairman and gentlemen of the committee, it is an honor and a pleasure to be here, appearing before your committee on behalf of the watershed districts in Tennessee, also the soil conservation districts in Tennessee.

I am a farmer, lawyer, and chairman of the board of soil conservation district supervisors in Fayette County, Tenn. Our county lies just north of the Mississippi State line adjacent to Congressman Whitten's congressional district. In fact, one of our watersheds that is now under construction, Indian Creek, extends southward across the Mississippi State line. We also have another watershed project, Muddy Creek, that flows out of Mississippi into Tennessee. We also share a watershed project with some counties in Congressman Natcher's district, the East Fork of Clarks River, which starts in Tennessee and drains northward into the State of Kentucky. This watershed also is in the operations stage, and good progress is being made.

Tennessee, last year, completed the organization of the entire State into soil conservation districts. Half of our 95 soil conservation districts have been organized within the last 8 years and 27 percent of the farmers are cooperators with our soil conservation districts. There are thousands of our farmers who have made application to our districts for technical assistance who are now awaiting this service.

Our conservation program will be materially delayed in Tennessee unless we can get additional technical assistance from the Soil Conservation Service. Thirty-two, or one-third of our districts, have only one technician. This one man simply cannot meet all the requests made to the district by the farmers. Our State and county govern-

ments are helping with appropriations to supply office space, some supplies, and employing office secretaries, but our great need is additional technicians and conservation aids. That need is manifest.

Mr. ANDERSEN. Mr. Wilder, would you yield?

Mr. WILDER. Yes, sir.

Mr. ANDERSEN. It happened that yesterday we had before us a very fine group of gentlemen, the National Association of Soil Conservation District Supervisors, and I had to leave, Mr. Chairman, before I had an opportunity to express my approval of what they had to say in their statement to the committee. But your testimony is along the same lines, and the main point that impressed me, Mr. Wilder, is that we do not have enough technical assistance to go around, do we, to do a satisfactory job?

Mr. WILDER. That's right, sir.

Mr. ANDERSEN. Some years ago, I urged the policy of providing about $5 million a year as a reasonable increment each year above the preceding year for Soil Conservation Service operations, so we might eventually get to the point where the technical staff would be sufficient to do a good job nationwide. I am very much disappointed to see that in the budget for fiscal 1961 there is really a decrease, because, while it shows an increase, Mr. Chairman, of $560,000, that is more than swallowed up by $600,000 for employee health benefit costs. I think that is the wrong policy. I think that if it isn't worth proceeding upward on a reasonable basis until we are satisfied that we have the personnel out in the field to do this great job of conserving our soil, I feel we are making a mistake as a nation. I just want to have in the record at this point my agreement which I was unable to express the other day with Mr. Zimmerman's organization, and my agreement with your group on this particular, very crucial point, and that is having sufficient technical assistance to do the proper kind of a job.

Go ahead, and excuse me for interrupting.

Mr. WILDER. Thank you, sir.

Seven months after the passage of Public Law 566, our State legislature enacted a State enabling act known as the Tennessee Watershed District Act of 1955 and 49 active watershed applications, embracing more than 2.5 million acres of land, have been received by the Soil Conservation Service and the Tennessee State Soil Conservation Committee. I have here a map, which you are glancing at, as to the watershed activity in Tennessee. Landowners from 33 of these watersheds, under our State act, have voted in watershed districts, voting 10,655 votes for the districts and 1,111 against. One can readily see that this is 10 to 1 ratio on the watershed program. This is significant because these landowners know that, when they vote these districts in under our State law, they are voting in the power of taxation in the watershed district for the purpose of buying easements, rights-of-way, and maintaining structures. Most of the other watersheds are in the process of organization, and watershed districts, and they are being voted in at about 2 to 1.

In other words, we are having about 24 new watersheds come in each year in the State.

Our soil conservation districts are cosponsors of the watershed projects in Tennessee. We soil conservation district supervisors see in this new program an opportunity to speed up the conservation program, especially the land-treatment phase. The watershed

conservation program has a full acceptance of all groups in Tennessee. Our State is placing emphasis on industrial growth and many of our small towns cannot secure new plants until flood prevention is secured along the creeks that flow through most of these towns.

Small cities, villages, chambers of commerce, as well as local farmers, are vitally interested in the watershed program. The State government, through the game and fish commission, is cooperating fully to use the retention reservoirs for recreational areas.

One is Thompson Creek watershed project. The State game and fish commission is spending $22,190 to make one of these dams serve the multiple purposes of both flood prevention and recreation.

The State of Tennessee plans to spend more than $700,000 on the Reelfoot-Indian Creek watershed project to protect Reelfoot Lake from siltation. This is the only earthquake-formed lake in the Nation.

The Soil Conservation Service State conservationist has informed me that the Reelfoot-Indian Creek watershed plan is completed, and will be sent to Washington this week. The State financed the planning of this project.

We have received outstanding cooperation from other agencies and groups in Tennessee for the small watershed program. Our county government appropriated $10,000 for administrative costs for the watershed district. The Tennessee State Legislature appropriated $100,000 for watershed planning, and even individual farmers are spending their money to enlarge our flood prevention reservoirs for agricultural use of water. The towns of Lewisburg, Cornersville, Oneida, Pulaski, Sweetwater, Algood, Waynesboro, and Cookeville plan to use the small watershed program to bolster their urban water supplies.

I would like to digress just a little bit, Mr. Chairman. I have something to say relative to these towns and the city interests in the watershed program.

I noticed yesterday that Congressman Whitten made mention of the Congress attitude toward agricultural programs at this time. The Tennessee Association of Soil Conservation Districts is appreciative of that attitude and understands the hostility that tends to grow in Congress toward agricultural programs. We understand that.

But in Tennessee this watershed program, this 566 program, is one that is receiving acceptance not only from the farmers but the small towns, and some of the larger towns are definitely interested in this program in that they have flooding problems in those towns.

Mr. ANDERSEN. If you will yield, Mr. Wilder, I naturally am a little proud to hear you make such a statement. This morning we had a gentleman from Kansas, our former colleague Mr. Clifford Hope, testifying about another matter. I could not help but think when Cliff was sitting across the table from us that 7 years ago he was also sitting across the table there, at my request, testifying in behalf of what later on became known as the Andersen-Hope pilot watershed protection program. And that pilot program this subcommittee initiated 7 years ago became so popular, in a year's time, Mr. Chairman, that the legislative committee got busy and brought Public Law 566 to the floor of the House.

I am glad to hear of the general acceptance of it. We are proud of the fact that that particular program, so popular throughout America, was created right in this room.

I think, just like you say, it has had a wonderful acceptance from everybody concerned.

Mr. WILDER. We have two of the pilots in the Tennessee, and those two happen to be in my part of the State. That is Marys and Sand Creeks. Of course, they have reached the completion stage. One can see the results of those, and they showed the way.

This water problem, though, is a far-reaching problem, and it is one that must have a long-range perspective to appreciate.

Mr. ANDERSEN. I agreed fully with the gentleman yesterday, with Mr. Zimmerman's group, when they said that it is poor policy to provide only for 28, I believe it was, planning parties nationwide. In other words, cut down so that a number of the States will be without proper and necessary planning help. Instead of cutting we should provide for eight more planting parties next July. To me, this budget before us represents a slowing down of the whole watershed protection program. I think that is wrong. I think that this subcommittee is going to do something, Mr. Marshall, toward rectifying that.

Thank you, sir.

Mr. WILDER. We certainly agree, and are appreciative of your line of thinking.

Mr. ANDERSEN. I might say the entire subcommittee, especially these two gentlemen present here today, Mr. Natcher and Mr. Marshall, agree with me 100 percent on that particular matter.

Mr. NATCHER. If you would yield to me at that point, Mr. Andersen, I want to concur with every word you have said, and as you well know, since I have been on this committee, each and every one of the 6 years you and our friend and colleague, Mr. Marshall, of Minnesota, and the other members of the subcommittee, have always diligently stood with the Soil Conservation Service all the way through. It has been a pleasure to serve with you.

Mr. NATCHER. In fact, Mr. Natcher, we have often said that we are dealing with the future welfare of the Nation, the permanent future welfare of the Nation by providing for the conservation of our soils and taking care of the soil and water needs of generations to come, Mr. Wilder. That is why I am so much in agreement with gentlemen like yourself who come a long way to testify before this subcommittee. You are doing a wonderful job.

Mr. WILDER. Thank you, Congressman.

In Tennessee, the watershed program is moving rapidly. We have five watersheds wholly within Tennessee that are in the construction phase. We can complete three of these by December 1961, if adequate funds are made available. The other three watersheds under construction are located partly in Tennessee and partly in adjoining States.

We have four plans now in Washington undergoing review or awaiting action of Congress. At least five additional watershed work plans will be completed during the calendar year of 1960.

One can see from these comments that unless more funds are appropriated by the Congress than are contained in the President's budget,

our watershed and soil conservation service district programs will be seriously curtailed.

This, we believe, would be most unfortunate. We consider these not just grabs for Federal money, but, as the Congressman has suggested, we consider them to be permanent improvements, improvements that do not recur, improvements that benefit the overall geographical area embraced by the watershed. It is just a matter of utilization of the God-given resources, the soil and the water. It is a matter of storing water, holding it back, not letting it run off, not letting it do damage; and, further, it is a matter of getting it back into the soil for industrial use, recreational and farm use.

We think this program is a program that embraces the whole society, that it is one that will make for good for the Nation as a whole, and we think in time that the Nation, the nonfarm people, will become more appreciative of the program, and we hope, and we understand your position, we appreciate the support you have given us in the past, and we understand the position you are in now, but we hope that the Congress will appreciate the importance of Public Law 566 in its application to the entire Nation.

It has been a pleasure to appear before you. I will be glad to answer any questions, if you have any relative to Tennessee.

Mr. NATCHER. Mr. Wilder, we want to thank you and Mr. Dyer for your appearance before our committee at this time, and to commend both of you on the fine statements that you have made.

As pointed out by my friends and colleagues, Mr. Andersen and Mr. Marshall, and other members of the committee from time to time, it always helps us as committee members when we have the grassroots operation of this program presented to us during our hearings, and we certainly thank you.

Mr. MARSHALL. May I concur with what you said, and I would like to say to you gentlemen that the people of this country, not only the farmers, but the people of this country have a great public servant in Congressman Natcher. He is not only interested in Kentucky, he is interested in the whole United States; and we are very proud to be associated with him on this committee.

Mr. NATCHER. I want to thank my colleague.

(The statement and table referred to follow:)

STATEMENT OF JOHN S. WILDER, PRESIDENT OF TENNESSEE ASSOCIATION OF SOIL CONSERVATION DISTRICTS

Mr. Chairman, it is an honor and privilege for me to appear before your committee. I am John S. Wilder, president of the Tennessee Association of Soil Conservation Districts.

I am a farmer, lawyer, and chairman of the Board of Soil Conservation District Supervisors in Fayette County, Tenn. Our county lies just north of the Mississippi State line adjacent to Congressman Whitten's congressional district. In fact, one of our watersheds that is now under construction, Indian Creek, extends southward across the Mississippi State line. We also have another watershed project, Muddy Creek, that flows out of Mississippi into Tennessee.

We also share a watershed project with some counties in Congressman Natcher's district, the East Fork of Clarks River which starts in Tennessee and drains northward into the State of Kentucky. This watershed also is in the operations stage and good progress is being made.

I am appearing before this committee on behalf of the soil conservation districts and the watershed districts of Tennessee.

Tennessee, last year, completed the organization of the entire State into soil conservation districts. Half of our 95 soil conservation districts have been organized within the last 8 years. Twenty-seven percent of the farmers are cooperators with our soil conservation districts. There are thousands of our farmers who have made application to our districts for technical assistance who are now awaiting this service.

Our conservation program will be materially delayed in Tennessee unless we can get additional technical assistance from the Soil Conservation Service.

Thirty-two or one-third of our districts have only one technician. This one man simply cannot meet all the requests made to the district by the farmers. Our State and county governments are helping with appropriations to supply office space, some supplies, and employing office secretaries, but our great need is additional technicians and conservation aids.

Seven months after the passage of Public Law 566, our State legislature enacted a State enabling act known as the Tennessee Watershed District Act of 1955.

Forty-nine active watershed applications, embracing more than 2½ million acres of land, have been received by the Soil Conservation Service and the Tennessee State Soil Conservation Committee.

Landowners from 33 of these watersheds, under our State act, have voted in watershed districts, voting 10,655 votes for the districts and 1,111 against.

You can see that this is about a 10-to-1 ratio favoring the watershed program. This is significant because these landowners know that they are voting to tax themselves to bear the local cost of the project. Most of the other watersheds are in the process of organizing a watershed district and they are being voted in at about the rate of two per month.

Our soil conservation districts are cosponsors of the watershed projects in Tennessee. We soil conservation district supervisors see in this new program an opportunity to speed up the conservation program, especially the land treatment phases. The watershed conservation program has the full acceptance of all groups in Tennessee. Our State is placing emphasis on industrial growth and many of our small towns cannot secure new plants until flood protection is secured along the creeks that flow through most of these towns.

Small cities, villages, chambers of commerce, as well as local farmers are vitally interested in the watershed program. The State government, through the game and fish commission, is cooperating fully to use the retention reservoirs for recreational areas. On our Thompson Creek watershed project, the State game and fish commission is spending $22,190 to make one of the dams serve the multiple purposes of both flood prevention and recreation. The State of Tennessee plans to spend more than $700,000 on the Reelfoot-Indian Creek watershed project to protect Reelfoot Lake from siltation. This is the only earthquake-formed lake in the Nation. The SCS State conservationist has informed me that the Reelfoot-Indian Creek watershed plan is completed and will be sent to Washington this week. The State financed the planning of this project.

We are receiving outstanding cooperation from many agencies and groups in Tennessee for the small watershed program. One county government appropriated $10,000 for administrative costs for the watershed district. The Tennessee State Legislature appropriated $100,000 for watershed planning, and even individual farmers are spending their money to enlarge our flood prevention reservoirs for agricultural use of water. The towns of Lewisburg, Cornersville, Oneida, Pulaski, Sweetwater, Algood, Waynesboro, and Cookeville plan to use the small watershed program to bolster their urban water supplies.

Our watershed program is moving rapidly in Tennessee. We have five watersheds wholly within Tennessee that are in the construction phase. We can complete three of these by December 1961 if adequate Federal funds are made available. Three other watersheds under construction are located partly in Tennessee and partly in adjoining States. We have four plans now in Washington undergoing review or awaiting action of Congress. At least five additional watershed work plans will be completed during the calendar year of 1960.

You can see from these comments that unless more funds are appropriated by Congress than were contained in the President's Budget, our watershed and soil conservation district programs will be seriously curtailed.

This, I believe, would be a most unfortunate result. These are not just grabs for Federal money. The local and State governments are supplying substantial sums of money.

I continue to be amazed at the stature of local leadership that is given to the district and small watershed programs. We must remember that the district supervisors and the watershed directors do not receive one penny for the services they give.

We have many such people in Tennessee giving as much as 10 days per month of their time to the work of districts and watersheds. I submit to this committee that, with such local interest and activity for the good of America, this good work ought not to be curtailed for lack of Federal funds.

I appreciate the opportunity to appear before this committee and give the views of the soil conservation districts and watershed districts in Tennessee.

Tennessee, Public Law 566, watershed projects and watershed districts

Watershed	Size (acres)	Location (county)	Date approved by State committee	Date of referendum	Vote		Date approved for planning	Date authorized for operations
					For	Against		
1. Bear Creek [1]	31,500	Fayette, Haywood, Hardeman	Oct. 28, 1958	Aug. 16, 1958	125	0	Mar. 9, 1959	
2. White Oak Creek	125,000	Hardin, McNairy, Chester, Henderson	Dec. 8, 1954	Aug. 2, 1956	447	245	Apr. 1, 1955 [2]	
3. Johnson Creek [3]	22,610	Madison	do	Aug. 30, 1955	85	8	Apr. 1, 1956	July 24, 1956
4. Thompson Creek [3]	18,700	Weakley, Henry	Jan. 20, 1956	Apr. 8, 1957	178	37	Feb. 14, 1956	Jan. 8, 1958
5. Indian Creek [3]	22,000	Hardeman and Fayette, Tenn., Benton, Miss.	Oct. 18, 1956	May 24, 1958	136	1	Dec. 19, 1956	July 31, 1958
6. Jennings Creek [3]	46,150	Jackson, Macon, Clay	Feb. 27, 1958	Oct. 26, 1957	462	6	Apr. 15, 1958	May 21, 1959
7. Swan Creek	32,000	Lincoln, Marshall	Jan. 20, 1956	Mar. 2, 1957	84	115	Feb. 14, 1956 [2]	
8. Crow Creek [4]	70,000	Franklin, Tenn., Jackson, Ala	do					
9. Muddy Creek [5]	80,795	Hardeman, Tenn., Tippah, Miss	Aug. 5, 1955	Sept. 8, 1957	24	0	Nov. 17, 1955	July 29, 1958
10. Lookout Creek [6]	119,500	Hamilton, Tenn., Dekalb, Ala., Dade Ga	Oct. 18, 1956					
11. Lick Creek [7]	168,392	Greene, Washington	Apr. 15, 1957	Aug. 14, 1957	467	80	Aug. 30, 1957	Apr. 7, 1959
12. Robertson Fork, Upper Richland.	91,000	Giles, Marshall	Oct. 28, 1958	[8]	[8]	[8]		
13. Richland Creek	229,000	Giles, Lawrence	do	July 7, 1959	1,161	67		
14. East Fork, Clarks River [9]	190,000	Henry, Tenn., Marshall, Calloway, McCracken, Graves, Ky.	Jan. 21, 1958	Apr. 4, 1959	75	1	Feb. 27, 1958	Aug. 31, 1959
15. Porters Creek [1]	44,600	Hardeman, Tenn., Benton and Tippah, Miss.	Sept. 16, 1958	Jan. 25, 1958	66	1	Nov. 4, 1958	
16. Cane Creek	57,000	Lauderdale	Oct. 28, 1958	Sept. 27, 1958	378	20	July 28, 1959	
17. Cypress Creek [1]	25,870	Weakley	do	Sept. 10, 1958	144	7	Apr. 21, 1959	
18. Meridian Creek [3]	12,500	Madison	Sept. 16, 1958	Apr. 26, 1958	58	0	Oct. 8, 1958	Mar. 25, 1959
19. Pine Creek [10]	15,270	Scott	Oct. 28, 1958	May 2, 1959	607	19		
20. Mulberry Creek	61,000	Moore, Lincoln	do	Oct. 18, 1958	403	76	Feb. 26, 1960	
21. Cub Creek	11,000	Hardeman	do	Mar. 21, 1959	28	1		
22. Grainer County-Richland Creek	43,000	Grainger	do					
23. Houser Creek	21,490	Obion	do	Mar. 2, 1959	389	16	Sept. 11, 1959	
24. Shady Valley Creek	11,900	Johnson	do	Dec. 31, 1959	90	0		
25. Horse Creek	30,000	Sullivan, Washington, Greene, Hawkins	Dec. 18, 1958					
26. Sweetwater [10]	40,576	McMinn, Monroe, Loudon	do	June 20, 1959	403	7		
27. Roaring River	178,315	Jackson, Overton, Putnam	Apr. 30, 1959	Nov. 14, 1959	2,094	26		
28. Blackwater Creek [11]	29,000	Hancock, Tenn., Lee and Scott, Va	do					
29. Halls Creek	22,000	Lauderdale	do					
30. Eagle Creek [1]	22,000	Wayne	do	May 20, 1959	63	26		
31. Reelfoot-Indian Creek [12]	82,660	Obion, Tenn., Fulton, Ky	do	Mar. 28, 1959	577	234	June 2, 1959	
32. Camp Creek	7,488	Lauderdale	do					
33. Williams Creek	10,112	do	do					
34. Dry Valley	8,000	Putnam	do	Sept. 5, 1959	102	0		
35. Line Creek	43,303	Macon and Clay, Tenn., Monroe, Ky	do	July 25, 1959	363	0		
36. Proctor Creek	10,064	Clay	do	do	100	6		
37. Mill Creek	24,397	Overton, Clay	do	July 16, 1959	117	51		
38. Middle Fork-Obion River	80,100	Henry, Weakley	Sept. 8, 1959	Sept. 26, 1959	213	53		
39. Big Rock Creek	42,931	Marshall	do	Sept. 17, 1959	470	2		
40. Weatherford-Bear Creek	32,000	Wayne	do	Oct. 3, 1959	208	0		
41. Forty-Eight Creek	40,000	do	Nov. 27, 1959	do	131	2		
42. Coahulla Creek [13]	82,076	Bradley, Tenn., Whitfield, Ga	do	Feb. 27, 1960	384	4		
43. Martin's Creek	11,500	Carroll, Henry	do					
44. Buck Creek	14,000	Crockett	do					

41. Forty-Eight Creek	40,000	....do	Nov. 27, 1959	....do	131	2	
42. Coahulla Creek [13]	82,076	Bradley, Tenn., Whitfield, Ga	....do	Feb. 27, 1960	384	4	
43. Martin's Creek	11,500	Carroll, Henry	....do				
44. Buck Creek	14,000	Crockett	....do				
45. Lewis-Hunsacker Creek	42,000	Dyer	....do				
46. Spring Creek	61,700	Weakley, Henry, Carroll	Feb. 23, 1960				
47. Hurricane Creek	50,795	Humphreys, Dickson	....do				
48. Hardin Creek	42,000	Hardin, Wayne	....do	Nov. 28, 1959	113	0	
49. South Harpeth	52,720	Williamson, Davidson, Chertham	Feb. 24, 1960				
Total	2,548,314				10,655	1,111	

[1] Work plan in Washington.
[2] Planning suspended, pending further favorable action by sponsors.
[3] Authorized to start construction.
[4] Planning by SCS in Alabama.
[5] Planning by SCS in Mississippi.
[6] Planning by SCS in Georgia.
[7] Construction delayed due to litigation.
[8] See Richland Creek.
[9] Planning by SCS in Kentucky.
[10] Planning priority recommended by State Soil Conservation Committee.
[11] Planning by SCS in Virginia.
[12] Joint Federal-State project—Work Plan completed to be submitted to Washington Mar. 17, 1960.
[13] Planning by SCS in Georgia.

WITNESS

FRITZ G. LANHAM, TRINITY IMPROVEMENT ASSOCIATION

Mr. MARSHALL. The committee is pleased to have at this time Mr. Fritz Lanham, a former colleague of ours, who has long been interested in soil and water conservation, and is particularly interested in the Trinity watershed. We are glad to have your statement at this time.

Mr. ANDERSEN. Might I join in your welcome of our former colleague, Mr. Lanham. I might say that his viewpoint is always very much respected by this subcommittee.

Mr. LANHAM. I thank you gentlemen very much for these gracious and generous statements. Let me say it is always a great pleasure to come before this subcommittee because of our long standing friendship, my appreciation of your most efficient service, and my recognition of the fact that your feelings and mine are in accord with reference to the matter that I wish to discuss.

For the benefit of the record, let me say that my name is Fritz G. Lanham. I represent the Trinity Improvement Association, with offices in the Trans-American Building in Fort Worth, Tex. It is a nonprofit organization interested in and devoted to the protection and conservation of the many valuable resources necessary for our proper national economy that can be found in the vast watershed of the Trinity River in Texas.

We come today, gentlemen, to another chapter of the Department of Agriculture's sad story of the 11 watersheds originally selected for priority of treatment, to demonstrate what could be accomplished expeditiously in the completion of the beneficial results contemplated.

The story gets sadder as we look at the existing conditions today. Let me say first that the Trinity is by far the largest of these 11 watersheds, and it has contributed more to this program than many of the others combined.

At its own expense it has built large reservoirs; it has built levees up and down the river and acquired all necessary easements and rights-of-way.

This work was started in 1944 and was to be completed in 15 years. It was to demonstrate how well the Department could carry on, in a business way, this great work for the development of our country. Yet the Department of Agriculture reported that after July 1, 1958, it would still take 17.1 years to complete the Trinity project. That estimate was practically 2 years ago.

Now, what is the situation today? I have here the report prepared by the Watershed Planning Division of the Department of Agriculture dated October 14, 1959. I assume this appears in the record of these hearings. It shows the additional time necessary to complete the Trinity project after June 30, 1959, at the appropriation rate of $18 million, will be 20 years, and at the appropriation rate of $15 million will be 24.3 years.

Now, I have stated, as reported heretofore, after July 1, 1958, it would take 17.1 years; so, in the last 2 years, it seems that we have lost about 3 years of progress.

One of the great Roman philosophers—I don't recall at the moment which one it was—said that the only rapid progress is progress downhill; and the Department of Agriculture, with reference to these 11

watersheds, has certainly demonstrated that it can make that downhill progress.

Now, somebody in the Government service ought to be hanging his head, or many of them ought to be hanging their heads, in shame, for a report of this kind. That statement is not true with reference to the members of this subcommittee, because you gentlemen have done everything that you possibly could do to correct this situation. You do not determine the budget estimates, and you do not determine the allocation of the funds that are appropriated.

Mr. MARSHALL. I am glad you mentioned that, because this committee has long been interested in these 11 watersheds that you have mentioned, and we have tried in every way we know how to try to expedite the work on these 11 watershed projects. The record speaks for that.

Mr. LANHAM. Thank you, Mr. Marshall. I know that is true; that the trouble is somewhere else in the Government. The work is not being carried on in a businesslike way when, in 2 years, with the Trinity project they have gone back about 3 years in the additional time it will take to complete this project. It was to have been completed last year, but they estimate now it will take 20 or more years.

Mr. MARSHALL. Let us bring that out again for the record, Mr. Lanham. Originally it was estimated that the authorized projects for watersheds should be completed in 1959, was that not right?

Mr. LANHAM. That's correct, in 15 years. They started in 1944.

Mr. ANDERSEN. What percentage of completion would you really say we have arrived at?

Mr. LANHAM. This is their estimate, by their own statement; their estimated percentage of completion with reference to the Trinity is 22 percent.

Mr. ANDERSEN. Twenty-two percent. As Mr. Marshall has well said, Mr. Lanham, we on this subcommittee have always urged that this work of bringing these 11 watersheds to completion should be moved along as rapidly as possible without waste, but we have been overriden in the Congress and in the Government. I think we ought to go ahead and finish the job.

Mr. LANHAM. They were supposed to be examples of what could be done. And what are they doing today? They are adding numerous other watersheds now, new watersheds that your grandchildren probably won't live to see completed, and, if they keep on at the present rate, your grandchildren will be lucky if they see the completion of these original 11 watersheds.

On page 377 of the budget for the fiscal year 1957, the Department of Agriculture announced its policy as follows with reference to these watersheds:

> The aim of the Department of Agriculture's flood prevention on watersheds is to prevent or reduce floodwater and sedimentation damage in upstream areas, and to reduce sedimentation of river channels, and reduce reservoirs.

Certainly that was a very worthy purpose and one that should have been carried on. What are the consequences of all this inexcusable delay? The job gets bigger; it costs a great deal more; the labor is more expensive. We have more loss of our soil, more sedimentation in our streams, and so forth, and yet this sad story goes on and gets sadder.

Now, I understand from our local Soil Conservation Service people on the Trinity that its budget figure now for this year is about $600,000 below last year.

Mr. MARSHALL. That's correct.

Mr. LANHAM. All of the local requirements have been guaranteed, to enable them to use promptly and effectively that additional $600,000. I don't know where you could find any more lamentable picture in our governmental service than that which is presented by these 11 original watersheds.

The costs, as stated today, are a good many millions more than they were when they started, because costs have increased considerably.

There is much more that I could say, gentlemen, but you realize the picture and, as I say, some of the Government people ought to hang their heads in shame. And I am proud of this subcommittee for its valiant efforts to relieve this terrible situation.

Mr. MARSHALL. We thank you. The correct figure is $635,000 under last year's figure.

Mr. LANHAM. Yes. That is the reduction. In other words, we probably will slip back another year or two.

Mr. NATCHER. I have no questions, Mr. Chairman. I just want to thank our former colleague and friend, Mr. Lanham, for his fine statement at this time.

Mr. LANHAM. I appreciate your generous words, and I want to thank this subcommittee for standing, as it has stood, for carrying on expeditiously this great work and trying to get the Department of Agriculture to live up to its original promise.

Mr. MARSHALL. We have done all we could possibly see that we could do. We thank you for coming.

FEDERAL MEAT INSPECTION

WITNESS

ALED P. DAVIES, VICE PRESIDENT, AMERICAN MEAT INSTITUTE

Mr. MARSHALL. The committee will be pleased to hear at this time from Mr. Aled P. Davies, vice president of the American Meat Institute.

Mr. DAVIES. Mr. Chairman, with your permission, I will make my presentation as rapidly as possible.

Mr. Chairman, my name is Aled P. Davies. I am vice president of the American Meat Institute, the national trade association of the meatpacking industry. I greatly appreciate the opportunity of appearing before this committee in support of the 1961 budget request for Federal meat inspection. This request is in the amount of $21,562,700.

While it represents a slight increase over the amount appropriated for the current fiscal year, $21,324,900, it is our understanding that because of the in-grade promotions and Government help program expense, the amount actually available for meat inspection will be less than during the current year.

It has been estimated that even with the amount of the budget request, the Meat Inspection Division will find it necessary to reduce its inspection force by 30.

The American Meat Institute believes that as a very minimum the amount of the budget request should be provided for Federal meat inspection. Actually, it isn't quite enough, and while we feel that additional funds ought to be provided, we recognize the necessity for cutting the Federal budget in all departments of the Government to the absolute minimum.

Witnesses from the Department of Agriculture already have given you figures to show the way in which Federal meat inspection is growing. Its increasing significance is not only an outgrowth of population increase and changing patterns of meat distribution, but it is also a tribute to the Government agency, the Meat Inspection Division, which is responsible for the administration of this program.

Over the period of 53 years, during which compulsory meat inspection has been in effect, the Meat Inspection Division has developed and maintained a reputation for absolute integrity, a reputation equaled by few Government agencies, and surpassed by none.

There have been times when the meatpacking industry and individual companies in it have not agreed with the Meat Inspection Division, but no one questions its integrity and its dedication to the public interest. There is no other food which gets the kinds of scrutiny which is routine for meat and meat food products under Federal meat inspection. For many years, it was the only continuous food inspection conducted by the Federal Government. Now, poultry is under the same type of inspection. One of the responsibilities of the Meat Inspection Division, under the Meat Inspection Act, is to examine the products of the meat industry for the presence of harmful chemicals.

Actually, the Meat Inspection Division, over the past half century, has been exercising the same type of control over additives used in meat which is being employed for the first time by the Food and Drug Administration with respect to other foods. However, it is being enforced in a more effective sort of way, since the Meat Inspection Division inspects every animal and every carcass which goes through a federally inspected plant, and does not have to rely simply on spot checks.

Every ingredient going into a meat product must first pass the scrutiny of the Meat Inspection Division, whether or not it might be technically classified as a food additive, and every label which is employed on such products must have the prior approval of the Division.

Without such prior approval, the product cannot bear the mark of Federal inspection.

I must confess that this requirement of prior approval at times has caused the industry some problems, for, believe me, the Meat Inspection Division takes its responsibility to the public very seriously, and at times we have thought its restrictions were too severe.

I mention this simply to emphasize the high degree of protection which Federal meat inspection provides to consumers, and to underline the obvious fact that the cost of inspection is a small price to pay for a public service of this character. Interest in chemicals employed in foods is running high these days, and while we feel the Food and Drug Administration does an admirable job, considering the broad field it has to cover, and the limited tool with which it works, we are convinced that Federal meat inspection fills the need which cannot be supplied in any other way.

It is not general knowledge, but it is a fact that the Meat Inspection Division, through its continuous inspection system, condemns 1 million pounds of meat and meat food products every working day, thereby preventing unfit products from ever reaching the market.

If the emphasis placed on the Meat Inspection Division's important function in the field of chemical additives tends to give the impression that this is its only or even its principal responsibility, that point should be cleared up.

Quoting from the Division's most recent annual report, following is an enumeration of its activities during the past year:

Examination of food animals, including cattle, calves, sheep, swine, goats, and horses, prior to slaughter, to eliminate those animals found to be infected with diseases or other unwholesome condition; a thorough post mortem examination of each carcass at time of slaughter, to detect and eliminate diseased and otherwise unfit meat; destruction for food purposes of all diseased, unsound, or otherwise unwholesome meat and meat food products; supervision of the preparation of meat and meat food products, to assure their cleanliness and wholesomeness during their preparation into articles of foods; guarding against the use of harmful perservatives and other deleterious ingredients; supervision of the application of marks to meat and meat food products to show that they are "U.S. inspected and passed"; supervision of the application of informative labeling and prevention of the use of false and deceptive labeling on meat and meat food products; certification of meat and meat food products for export; inspection of meat and meat food products offered for importation into this country; examination of meat and meat food products for compliance with specification requirements of governmental purchasing agents; such investigations as are necessary to insure the accuracy and effectiveness of the inspection procedures; supervision of the manufacture and labeling of process or renovated butter; guarding against residues in meat resulting from ingestion, treatment with or exposure to such substances as pesticides, growth-promoting substances, drugs or biological; and developing and determining acceptable methods for humane slaughter of meat animals.

Another function of the Meat Inspection Division, although a byproduct of its major activities, is the statistical reporting which it does. The figures which are generated in this Division measuring the volume of slaughtering and processing of federally inspected plants are the most accurate we have on the livestock and meat industry.

I mention this as the 15th point because of the dependence which we all have on these Meat Inspection Division figures; therefore, we need to recognize this function of the Division in any consideration of its appropriation.

It is remarkable, actually, that a service of this scope and thoroughness can be conducted with the modest appropriation which is provided.

Just one instance of the cranberry type occurring in the meat industry could cost the public more than the whole year's meat inspection appropriation, and the public can consider itself fortunate that this inspection program is in the hands of such a dedicated group of professionals as Dr. A. R. Miller and his associates.

Mr. Chairman, I have long been convinced that the money spent by the Government on Federal meat inspection was money wisely invested. Sometimes I have felt frustrated because I was not sure that others appreciated the significance of this service. If the public furore over chemicals has done nothing else, it has given new emphasis to the essential work being done by the Meat Inspection Division, and to the importance of providing adequate funds for its support.

The American Meat Institute most earnestly urges that you approve the amount of the budget request to cover Federal meat inspection for the 1961 fiscal year.

Now, I would like to discuss a less publicized but extremely important activity of the Department of Agriculture, that is, its crop and livestock reporting service.

This, I think, is close to the heart of some members of this committee.

As you are well aware, U.S. agriculture is going through a virtual revolution, both in the technology of production and in its economic organization. The hog industry is no exception in this respect. Fewer farmers are raising hogs, and there is an increase in the number of hogs raised per farm. Along with this trend in greater production per farm has been a shift to the practice of multiple farrowings and a change in the seasonal production of pork.

For example, in the early 1930's, 14 percent of the spring farrowings were in the months of December, January, and February. For the 1959 crop, it was 38 percent. In addition, the Southeastern States have expanded greatly in hog and other livestock production. Hogs reach marketable age earlier today than in the past.

These changes multiply greatly the problems of estimating crop and livestock production. Specific procedures for continually evaluating these revolutionary changes would seem to be a necessary part of the Department of Agriculture's estimate program.

If my memory is correct, I believe, Mr. Chairman, that several years ago you requested the USDA's recommendation for an immediate and long-range program for the development and improvement of the agricultural estimating work of the Department. This report was made to your committee in 1957. However, to my knowledge, there has been limited progress in the modernizing of the procedures or techniques developed for improving the accuracy of the pig crop estimate as we have moved through this revolutionary period in hog raising.

Basically, the pig reports, pig-crop reports, are and have been good, but the present reporting program is not adequately fulfilling present-day requirements.

This is right off the teletype. For example, hog prices have advanced markedly since the first of the year, and currently there is a very lively discussion going on in the swine industry as to whether or not producers have changed their breeding intentions for 1960. A partial answer to this important question will be provided by the quarterly survey released today.

However, a full-fledged estimate of the 1960 spring crop will not be released until June 21. By that time some pigs from this crop already will be on their way to market. The absence of specific knowledge as to what is happening to hog production in the meantime will make it difficult for any part of the swine industry to adjust to these changes.

Our livestock economy does a better job for both producers and consumers when it can avoid radical changes that occur when actual production trends are not known.

We understand the Department has a plan which seems very feasible. This would expand the quarterly pig crop from the present 10 States to 16 States: including 12 North Central States, North Carolina, Georgia, Kentucky, and Tennessee. These 16 States accounted for 85 percent of the U.S. pig crop in 1959. These figures would show the number of hogs on farms, the number of sows farrowed and pigs saved during the preceding quarter, the number of sows farrowed by months, the farrowing intentions of the following 6-month

period by quarters, and revisions, as needed, in inventory and farrowing estimates for previous quarters.

These details are the same as now published in the 10 States' quarterly report, except that the present reports do not include estimates of pigs saved, they do not include estimates of sows farrowed by months, and they do not include revision for prior quarters.

The institute isn't trying to unnecessarily enlarge the agricultural budget, but it feels that of the large quantity requested for research, some of this sum could be wisely earmarked for improvement of the livestock estimating procedures and reports.

An improvment in the pig crop data would be beneficial to all segments of the industry, including producers, transportation agencies, processors, retailers, and consumers.

Now, another subject, the Department of Agriculture is doing far too little research on chemicals for agriculture. Chemicals are an essential part of the production of good food. They always have been. The complexity of consumer demands for variety and quality in the food supply make the use of safe chemicals even more important today.

Everyone is concerned, and rightly so, that only safe chemicals be used. We in the meatpacking industry have adhered closely to this philosophy for more than half a century under the careful control of the Department's Meat Inspection Service.

The producer, especially the producer of livestock and dairy products, needs improved methods for dealing with the multitude of diseases and pests that threaten every day to destroy and contaminate his products. The Department should take the lead in developing new chemicals, unique methods for the use of chemicals, and biological methods for dealing with these diseases and pests without leaving any questionable residues.

The Department scientists have many leads for developments of this kind, but have not been able to follow through on them. Such things as the use of powerful lures that will attract insects for long distances to commit suicide in specially designed traps, and the use of special chemicals which affect the reproductive capacity of the insect in such a way as to bring about insect race suicide should be vigorously developed.

These things can be done without any harmful effect to man or other warmblooded animals, if we just put a real effort into it.

This is not to say the chemical industry has not done a good job. They have, and they can be expected to continue to do so. However, in areas where residues in food or feed are a critical consideration, the Department must take the lead in new developments which will maintain consumer confidence in the products of agriculture.

Mr. Chairman, the American Meat Institute is especially glad to see that the Department has requested $1.5 million for intensive research to develop new chemicals and biological measures for use in agriculture to avoid hazards from residues. Our own quarrel with this request is that it is, in our opinion, not nearly enough, when we consider that private industry requires a million to a million and a half dollars to develop just one chemical for the market. We think this amount should be increased to at least 8 or 10 times. One-third of that amount in the first year set aside for a modern laboratory and equipment, where teams of the best scientists can be brought to work on this problem.

It is the considered judgment of the American Meat Institute, which has been actively concerned with this problem for several years, that expenditures of Federal funds in this area are essential, wise, and in the public interest. It is an area in which the meat-packing industry and the American Meat Institute have and are spending considerable amounts of research funds. This problem calls for effort on the part of Government, producers of agricultural products, and the processors of food in the national welfare.

Mr. MARSHALL. Thank you, Mr. Davies.

Mr. DAVIES. Now, if I may add, off the record——

(Discussion off the record.)

Mr. MARSHALL. Thank you, sir.

SOIL CONSERVATION

WITNESS

WILLIAM E. WELSH, SECRETARY-MANAGER, NATIONAL RECLAMATION ASSOCIATION

Mr. MARSHALL. At this time, the committee will be very pleased to hear from Mr. William E. Welsh, secretary-manager of the National Reclamation Association.

Mr. Welsh, we will be glad to hear from you at this time.

Mr. WELSH. My name is William E. Welsh. I am secretary-manager of the National Reclamation Association. I know how busy you gentlemen are, and I will guarantee you that I won't take nearly the time allotted to me.

Mr. MARSHALL. We do have quite a lot of activities this afternoon, and we appreciate your consideration.

Mr. WELSH. We had had in our National Reclamation Association a committee on agricultural research that has been unusually active over a period of about 19 years, beginning in 1941.

The first significant result of the work of that committee was in the publishing of a report which Senator Hayden arranged to have published, Senate Document 98, some 7 or 8 years ago. The committee is still very much interested in the program of soil and water research.

The National Reclamation Association is an organization with membership in each of the 17 Western States. Its primary interest is in continued development of irrigation and reclamation throughout that area which includes, of course, the arid and semiarid regions of the West. Fully 60 percent of the membership of the association are officers, directors, managers, and other representatives of irrigation districts. In other words, the association actively represents a large share of the irrigation farmers of the West. For that reason we are very much interested in the program of the Department of Agriculture, particularly as it relates to the problems involved in the conservation, use and development of water.

First, I would like to discuss with you the need for an accelerated program in soil and water research. The National Reclamation Association, through its agricultural research committee, has long been interested in this program. The excellent report of that committee by our association in 1951 was published as Senate Document 98. A little more than a year ago still greater emphasis was placed upon soil

and water research as a result of the hearings that were held and the studies that were made by the so-called working group which was appointed by the Secretary of Agriculture, Mr. Benson, in response to a resolution which was adopted by the Senate Subcommittee on Appropriations for Agriculture. This report was summarized and published as Senate Document 59, 86th Congress, entitled "Facility Needs—Soil and Water Conservation Research."

Our agricultural research committee, as indicated by the report of that committee submitted to the membership of the association at the last annual meeting in Denver, strongly endorsed the recommendations contained in Senate Document 59. A copy of the report of our National Reclamation Association Agricultural Research Committee is attached to our prepared statement and designated as exhibit A. The members of this committee are: George L. Henderson, chairman, Bakersfield, Calif.; Wayne M. Akin, Phoenix, Ariz.; George D. Clyde, Salt Lake City, Utah; Paul House, Nyssa, Oreg.; Dean W. V. Lambert, Lincoln, Nebr.; Frank Raab, Oklahoma City, Okla.; Philip P. Smith, Glenwood Springs, Colo.; Norman Hall, Yerington, Nev.; Arthur Svendby, Lemmon, S. Dak.; and George L. Crookham, Jr., Caldwell, Idaho.

This report indicates the keen interest by our committee and our membership as well as the widespread interest throughout the West in an accelerated program of soil and water research.

Senate Document 59 not only lists important soil and water research problems throughout the Nation and the facilities needed with cost estimates required, but it also gives an estimate of the amount of operating funds needed.

The budget listed, section A, page 159, of Senate Document 59, would provide for necessary construction of certain laboratory facilities and field stations and for the funds required to implement these and to bring the present research facilities up to present operational levels. Approximately $20 million is needed for facilities, with another $19 million for operation. Our committee believes it is desirable and that Congress should appropriate the full $20 million for facilities this year. We further believe that at least one-third of the operational requirements should be added in each of the next 3 fiscal years. It is the belief of the NRA Agricultural Research Committee that major progress could be made only by getting the entire package of needed facilities amounting to $20 million in total this next year.

We find that through contacts with our members from different areas throughout the West that every State has an interest in the soil and water research program although the problems may be somewhat different in the different regions. For that reason the facilities needed in the various areas are somewhat different. The irrigation principles center proposed for California and Idaho and the moisture conservation center proposed for Kansas, Nebraska, Colorado, and North Dakota are examples of the proposed facilities and indicate the various needs and requirements of the different areas.

Attached to our prepared statement is NRA Resolution 17, "Expanded Program of Soil and Water Research," marked "Exhibit B," which was adopted at the last annual meeting of the association in Denver last October. This resolution also indicates the very deep interest in the soil and water research program.

On behalf of the National Reclamation Association, I wish to urge that appropriations be made available in order to initiate and augment

this program in the manner indicated by the report of our special committee and in the recommendations contained in the resolution.

The Soil Conservation Service is an agency of the Federal Government which renders invaluable assistance to the irrigation farmers of the West in many different fields of endeavor.

Technical assistance: As we pointed out earlier in this statement, the primary interest of our association is in continued, orderly development of irrigation and reclamation projects in the West. However, after the construction of the project itself is completed there are still many problems confronting the farmers. After the Bureau of Reclamation delivers water to the farm as a part of the project construction job, the land on each farm must be prepared for irrigation farming. At this point the need for the technical and other assistance from the Department of Agriculture to the irrigation farmer begins. A detailed plan for development and operation of the farm is jointly prepared by the farmer with technical assistance from the Soil Conservation Service working through the local soil conservation district. Land leveling is planned where needed. The land is surveyed and staked to assure the best use of land in each soil type in accordance with its capabilities with the field arrangement and irrigation system designed to fit the topography. In these days a contractor does the actual earthmoving in most cases and farmers can get some cost-sharing help from the Agricultural Program Service. Farm ditches are located and water control structures for irrigation and drainage are installed. This can be done properly and economically only if trained technical help is available. The Soil Conservation Service has been most cooperative in providing such assistance as needed to the extent funds and personnel can be made available.

From personal experience I realize fully the value of this service to the irrigation farmers of the West and especially to the settlers on new projects. It was more than half a century ago that I leveled the land on my father's homestead, beginning with a two-horse fresno and later with a four-horse fresno. At that time there was no Federal or State agency or organization of any kind to give us advice and assistance as to how an irrigation farm should be laid out, where the lateral should be placed, and how the land should be leveled. Unless an individual has been through this experience and knows what it means to start from scratch and to grope around in the dark, endeavoring to properly level and lay out an irrigation farm, it would be difficult to appreciate the value of the service of the Soil Conservation Service.

Snow measurements and streamflow forecasting: This is one of the most important services performed by the Soil Conservation Service. For 24 years prior to coming to Washington, D.C., in 1949, I was watermaster on the Boise River in southwestern Idaho where we irrigated approximately 340,000 acres. I know from personal experience how much it means to an irrigation farmer to know early in the spring before his crops are planted approximately what his available water supply will be to mature those crops. He is able to plan accordingly and to plant such crops as can be matured with the water supply that is to be available.

The snow-survey activities of the Soil Conservation Service are most effective in helping us calculate the amount and probable timing of our irrigation water supply. When we know in advance that

we will have an adequate supply of water the project farmers plan their cropping program to take full advantage of it. When we know we will have a water shortage, the farmers are advised and they adjust their cropping plans to the probable water supply. This results in huge savings to the farmers by avoiding the heavy losses usually resulting from water shortages. The water-supply forecasts made by the snow survey are a key factor in western irrigation farming.

Watershed protection: Adequate and proper watershed protection on every watershed supplying water to the irrigated areas of the West is of the utmost importance to the farmers of that area. Uncontrolled runoff from watersheds above irrigated land washes out sections of ditches and damages cropland by gullying and deposition of sediment. This results in interruptions to water delivery and necessitates expensive repairs. The crop damage resulting from disruption of water delivery schedules often may be greater than repair costs to the irrigation systems. Sediment deposition in irrigation reservoirs, both large and small, causes cumulative loss of storage capacity that eventually destroys their usefulness. This results in heavy financial losses and destruction of irreplaceable reservoir sites. Replacement reservoirs are required if the land is to remain in production. The watershed protection and flood prevention program of the Department of Agriculture does contribute in an important way to reduction of damage to crops and irrigation systems and does increase the useful life of reservoirs when applied on watershed lands.

We strongly endorse the program of the Soil Conservation Service, particularly in the fields referred to above—technical assistance to irrigation farmers, snow measurements, and streamflow forecasting and watershed protection—and urge that adequate appropriations be made available in order to carry these activities forward in a manner commensurate with the needs and importance of said programs.

Now for the Farmers Home Administration: Farm operators, and especially new settlers on irrigation projects, have serious financing problems during the early years of irrigation project development. We commend the activities of the Farmers Home Administration in making farmownership loans and soil and water conservation loans to farmers on reclamation projects. We urge this committee of the Congress to generously support this essential program that helps many new veteran settlers on reclamation farms to establish farm operations that are successful and financially sound.

In order to further emphasize the interests of the members of the National Reclamation Association in the programs of the several agencies of the Department of Agriculture, which we have referred to, we are attaching NRA Resolution No. 19, "Adequate Appropriations for Water Development," which was adopted at the last annual meeting of the association in Denver, Colo., last October. This is marked "Exhibit C."

On behalf of the members of our association, I wish to express to this committee our sincere appreciation for the attention and consideration that has been given to the agricultural program as it relates to the irrigated areas of the West over the years.

(The exhibits referred to are as follows:)

Exhibit A

Annual Report, Agricultural Research Committee, George L. Henderson, Chairman

The agricultural research committee of the National Reclamation Association met at Denver, Colo., July 16, 1959, and again at Denver on October 27, 1959. At both meetings the committee was materially assisted in its deliberations by information furnished by its representatives of both Federal and State research agencies.

In its annual report submitted to the association at the last convention, in Houston, Tex., on November 21, 1958, you were advised of the activities of the committee relating to the hearings being held at that time by representatives of the Department of Agriculture, to gather information from Federal and State agencies, as well as interested persons throughout the country. The objective of such hearings was to determine regional ideas regarding capacities of existing, and need for additional, research facilities. A report, entitled "Facility Needs, Soil and Water Conservation Research," was completed by the working group appointed by the Secretary of Agriculture and submitted to the Secretary, January 15, 1959. Subsequently, copies of this report were made available to members of the Agricultural Subcommittee of the Senate Appropriations Committee, who had initiated the request for the research. Through the efforts of Secretary W. E. Welsh, copies of this report were obtained for study by members of your research committee.

This report was discussed at the committee meeting held in Denver in July of this year. The report makes recommendations of additional activities at various existing facilities, and also recommendations concerning specific laboratories in various regions of the country, which was heartening to members of your committee.

On April 21, 1959, Assistant Secretary of Agriculture, E. L. Peterson, together with various agency heads in the Department, appeared before the subcommittee of the Committee on Appropriations of the Senate, and presented testimony concerning the report of the working group. At that time, there was presented, at the request of the chairman of the subcommittee, Senator Russell, a summary for various types of facilities, as follows: (1) present operating funds; (2) proposed construction funds; and (3) proposed operating funds; together with various tabulations covering: (*a*) field stations requiring no capital construction funds; (*b*) additional activities at existing regional and national research centers; and (*c*) activities recommended for new regional research centers.

The total capital cost for all construction was given as $20,205,000, plus increased operating funds amounting to approximately $19 million, annually.

At the Denver meeting there was a good deal of discussion concerning the failure to include any funds in the budget for the present fiscal year, to increase research activities by the Department of Agriculture. It was decided to recommend to the association that a substantial number of the report "Facility Needs, Soil and Water Conservation Research," together with copies of the testimony presented to the Senate Subcommittee on Appropriations, be reprinted for distribution by the association to all Members of the Congress from the 17 Western States. It is urged that Congress initiate appropriations specifically earmarked for the construction and operation of such additional facilities as are covered in the report. This document was printed as Senate Document No. 59, 86th Congress, 1st session.

It is disheartening to know, on good authority, that due to a lack of sufficient funds to keep pace with inflation, from time to time various programs in research have been abandoned. For example, during the past year, 14 scientific positions at 9 different locations had to be closed out. Research in industry annually expends approximately 3 percent of its gross return, the results of which are in evidence wherever we look, in new and improved products. It is worthy of note that the funds spent for Federal research on soil and water problems during the last decade about equaled the total cost of research to develop only one industrial product, nylon. It is imperative that agriculture face its problems by developing an accelerated program of research.

One of the most important phases of research is clearly defined by language contained on page 40, Senate Document No. 59, 86th Congress, 1st session, as follows:

"The necessity of carrying research work to the point where it can be more readily applied to local problems was emphasized at most of the public hearings. Many of those testifying stated that present research efforts could not be fully utilized until further refinement and adaptation of research finds were carried out

at field locations in order to show how this information could be more readily adapted to local problems. Farmers are more interested in an effective system of applying new research findings to their fields than in reviewing lists of erudite publications. Agricultural research must include a system whereby highly technical findings may be more rapidly reduced to sound practice."

The chairman of your committee appeared October 16 before the Senate Select Committee on National Water Resources, at Los Angeles, and presented a statement urging the need of accelerated agricultural research as one of the basic elements of a national program.

On the rosy side of the picture, the Southwest Water Conservation Laboratory of the Agricultural Research Service, located near Phoenix, Ariz., was dedicated October 19 of this year. This was one of the direct developments of the National Reclamation Association Research Committee activities. This committee developed and recommended in their 1951 report an increased soil and water research program. The report was summarized by Senator Hayden as Senate Document No. 98 of the 82d Congress, 2d session. A member of the agricultural research committee, Mr. Wayne Akin of Phoenix, Ariz., was one of the speakers on the program dedicating this laboratory. This new facility is a noteworthy accomplishment, but it only fills a part of the present need for aggressive agricultural research on soil and water problems.

Wherever we look in the West, we are confronted with problems; water losses through canal seepage and deep percolation, drainage and the accumulation of alkali in the soil, phreatophytes, or useless water-loving plants, maintenance of soil quality and fertility, high altitudes and accompanying short seasons, with the need for crops best adapted to such conditions, grazing problems in high mountain meadows, soil moisture conservation and wind erosion, and many others too numerous to mention. These are challenging problems, and additional research information must be obtained in order that the West may more effectively use its valuable agricultural land. The program outlined in Senate Document No. 59, 86th Congress, 1st session, if implemented, would help to get the necessary answers to solve the many problems mentioned. This committee strongly urges the Congress to provide the required funds.

Agriculture in its manyfold activities is still the largest industry in the Nation. If this industry, which is so vital to the health and welfare of this and coming generations, is to remain in a strong competitive position with other industries, it must be buttressed by a strong research and educational program—to obtain new facts and to get these facts into application on the farms and ranches of the Nation. The committee must emphasize that the Nation is spending billions of dollars on defense, all of which is essential to the Nation's welfare. In the final analysis, the funds for these activities must come from the productivity of the basic natural resources of the Nation.

The Nation cannot afford to let these resources deteriorate to the point that they can no longer support other activities essential to the Nation's health, safety, and welfare. The total cost involved is small in comparison with the expenditures for defense, health, education, and transportation. But, in the long pull, they are of equal or greater importance to national survival. Your committee urges immediate steps to put the support of these activities on a continuing basis adequate to the needs of the program outlined in Senate Document No. 59, to the end that the soil and water resources of the Nation may be fully protected and put to their maximum beneficial use.

Exhibit B

Resolution No. 17, Expanded Program of Soil and Water Research

Whereas the water supply and arable land area available in the United States are definitely limited; and

Whereas the needs of our rapidly growing population can be met only by increasing the efficiency of water use, practicing better soil management, and managing the watersheds so that they will yield the greatest usable supply of water; and

Whereas accelerated research in the fields of the engineering aspects of irrigation and drainage, soils, fertilizers, and watershed management is a prerequisite to meeting the Nation's needs; and

Whereas a comprehensive report entitled "Facility Needs, Soil and Water Conservation Research," has been published as Senate Document 59, 86th Congress, 1st session, summarizing research requirements as they relate to water

supplies, their control and utilization, soil, forest and range management, and documenting the urgent need for expansion of the research program: Now, therefore, be it

Resolved, That the National Reclamation Association support an expanded program of soil and water research including, but not limited to, the following:

(*a*) The engineering aspects of irrigation and drainage, including (1) water supply and its physical control, (2) determination of irrigation water requirements, (3) methods of water application, and (4) drainage of irrigated lands.

(*b*) Watershed research, including the management of forest and range watershed lands for maximum water production.

(*c*) Soil characteristics and moisture requirements for optimum growth.

(*d*) Fertilizers and soil management.

(*e*) Use of development farms for adapting findings of research to farm conditions.

(*f*) Methods of control of aquatic and noxious weeds and water-wasting vegetation; be it further

Resolved, That the association foster coordination of effort by all Federal, State and local agencies that can contribute to such research.

Exhibit C

Resolution No. 19. Adequate Appropriations for Water Development

Whereas the objective of the National Reclamation Association is the complete development of the land and water resources of the West; and

Whereas such reclamation development, being of distinct benefit to the whole Nation, has been a Federal policy for more than half a century; and

Whereas a sound reclamation program is dependent in large measure on continued and coordinated investigation, planning, research, and construction programs of the several Federal agencies concerned with water resources development; and

Whereas the accomplishment of these programs calls for adequate appropriations by the Congress: Now, therefore, be it

Resolved, That:

1. The National Reclamation Association hereby directs its officers to support before the Congress requests for sufficient appropriations to:

(*a*) Permit the Bureau of Reclamation and the Corps of Engineers to continue progressive investigations, planning, and construction programs in consonance with the needs therefor;

(*b*) Support acceleration of the Forest Service program of revegetation, watershed restoration, range improvements, and physical improvements of national forests, which will improve water production and control erosion;

(*c*) Support and continue the snow surveys and streamflow forecasting of the Department of Agriculture;

(*d*) Permit prompt and continuing acquisition, publication, and distribution by the Geological Survey of basic data respecting both streamflow and ground water resources throughout the Nation;

(*e*) Permit completion of standard topographic mapping of the United States, if possible, by the year 1970;

(*f*) Support research, investigation, and action programs in soil and water conservation, basic and essential to the sound development and full continued care of the Nation's land and water resources basinwide and in harmony with multiple-use projects development;

(*g*) Support the land capability inventory to be completed as soon as practicable;

(*h*) Support collection and dissemination of basic meteorological data by the United States Weather Bureau;

(*i*) Provide for the control and eradication of noxious weeds on federally controlled lands;

2. The various departments and agencies affected should devise standards and procedures such as will eliminate or minimize duplication of investigations, research and the basic work common to more than one department or agency.

3. Information developed by the Federal Government shall be made available, at reasonable cost, to all citizens who desire its use.

4. The various affected States are urged to give full support to the foregoing program.

Mr. WELSH. I don't think it is necessary for me to go into anything further, except to say that the committee endorses the recommendation of the working group, which were published last fall as Senate Document 59. The bills contained recommendations of the so-called working group appointed a year earlier by the Secretary of Agriculture. Our committee does have a very strong recommendation, and it approves the recommendations contained in Senate Document 59. They are very much interested in the establishment of additional facilities, whatever can be made available, and such operative funds also that can be made available.

There are several other agencies within the Department of Agriculture, in which we are very much interested. One is the Soil Conservation Service, technical assistance. I can speak from personal experience as to the value of that assistance, because I started in helping my father on his homestead more than 50 years ago. I went through the experience of leveling the land with two horses, and saw what his experiences were in endeavoring to decide the right crop to plant, and how the farm should be laid out, and those things. We didn't have that kind of assistance in those days, and I know how valuable it is, and we do want to strongly support that program by the Soil Conservation Service.

Another program of the Soil Conservation Service that may not be fully appreciated is that of snow measurement and stream flow forecasting. For 24 years I was water master in the Placey River, and I know there from personal experience, too, just how valuable that information is to farmers in planting of crops.

If they can have information early in the spring as to what their water supply will be for the season, it permits them, then, to plant crops that can be matured and adjusted to available water supply. It is very valuable information.

Then, of course, the watershed protection, nothing can be more important to the irrigation farmers in the West, and two-thirds of our association are irrigation farmers or representatives of such. Nothing can be more important to irrigation farmers than protection of the watersheds of all of our western streams, which supply water for irrigation purposes; so we do strongly support that program in the Soil Conservation Service, also.

The Farmers Home Administration, first to loan particularly to the new settlers on reclamation projects, are fairly important, and that program is also very important.

I think that is all the time I need to take of the committee at this time.

I do want to say, though, that I consider it a privilege and I appreciate this opportunity of appearing before your committee, a privilege I have had a good many times in the past, and have always enjoyed it; and, on behalf of the members, I want to say that we do appreciate the splendid support you have given to agricultural agencies engaging in these various programs in the West.

Mr. MARSHALL. We want to say to you that we appreciate your appearing before the committee. You are very well informed, and you do an excellent job in taking care of your people. Thank you, Mr. Welsh.

Brucellosis Eradication Program

WITNESS

DR. W. L. BENDIX, VICE PRESIDENT, U.S. LIVESTOCK SANITARY ASSOCIATION

Mr. Natcher. The committee at this time will be pleased to hear from Dr. Bendix, who is vice president of the U.S. Livestock Sanitary Association and the chief livestock sanitary official of the State of Virginia.

Sir, do you have a statement you wish to present to the committee? You may proceed.

Mr. Bendix. Mr. Chairman and gentlemen, I appear before you today speaking for the U.S. Livestock Sanitary Association. I am a vice president of that organization, and the chief livestock sanitary official of Virginia.

I would first like to direct my remarks to the subject of the national brucellosis-eradication program, with particular reference to the accelerated program inaugurated by the Congress in fiscal 1955.

First, I would call the committee's attention to three charts, designated as sheets 5, 6, and 7.

Mr. Marshall. The charts will be filed with the committee.

Mr. Bendix. Sheet 5 shows the financial structure of the national brucellosis eradication program over a 10-year period, with the funds available from all sources, State and Federal, for each year, and the work accomplished. It will be noted that for the 5 years immediately preceding the inauguration of the Federal accelerated program, financial support for brucellosis control came principally from the State. But the total available in any year was insufficient either to contain the infection or to attack this disease at a rate that would in any way reduce its incidence. During this 5-year period, the total number of certified counties in the country dropped from 432 down to 334. With the advent of the accelerated program in fiscal 1955, the picture changed drastically, both in results accomplished and in financial support from both State and Federal sources. It will be noted that through fiscal 1959, State support increased steadily. It will also be noted that beginning with fiscal 1959, Federal support began to show a downward trend, which is continuing even now in the fiscal 1961 budget currently being considered by the Congress. Another fact worthy of mention here is that State financial support for this program did not begin to decline until the second straight year of a lessening in Federal funds. Some opinions to the contrary notwithstanding, there is no evidence that increased Federal support for this program would mean a decrease in State support, thereby resulting in no overall increase in funds available. Quite the contrary is true, as evidenced by the chart now under discussion and by assurances this speaker has had from the livestock sanitary officials of most of the States in this Nation who have yet to complete their job ofcertification.

If I may now respectfully call the committee's attention to sheet 6, I would like to point out that at this time we are approximately half finished the job of certifying all the counties in the country. A careful analysis of the overall costs of the program to date has been made, based on the rate of accomplishment in the peak years of 1957–59. This analysis indicates beyond doubt that if we could continue the

program at a level approximately halfway between the 1958 and the 1959 rate, the job would be completed during the 1965 fiscal year at a total cost, both State and Federal, of approximately $220 million. Using the same figures and calculating by exactly the same method, if the program continues at the 1960 fiscal rate, the date for completion must be set forward almost 10 years, at a total cost, from all sources again, of more than twice that just mentioned. If the present downward trend continues, it is impossible at this point to estimate the date at which the job will be done, or the cost. From a standpoint of pure agricultural economics, there would be some doubt as to whether it would be worth it to the Nation to continue year after year providing funds that would keep the job going, but at the same time offer no hope of ever completing it.

May I now briefly depart from the field of economics and call the committee's attention to sheet 7. This indicates the relationship between the considerable reduction in cattle infected with brucellosis and the drastic reduction in human cases of undulant fever in the Nation over the same 12-year period. Undulant fever, as you know, is brucellosis in the human, and the principal source of this serious infection in terms of its effect upon the individual contracting it, is contact with infected animals. This is a matter of public health, of course, and is not directly related to the economic problems that brucellosis produces in our livestock industry. It is, however, one of paramount importance to all of us who are working with the animal forms of this disease.

On behalf of the association that I have the honor to represent, I would like to urge serious consideration by this committee that the brucellosis appropriation for fiscal 1961 be increased to the sum of $22 million. We are, of course, aware that the budget now being considered represents appropriations only for one fiscal year, but we feel it our duty to call to the attention of the Congress not only our financial needs for this work during the coming year, but our projected needs toward completion of the program. The livestock industry in all of its segments has supported the accelerated brucellosis eradication program across the Nation with tremendous enthusiasm. They have had a tremendous hand in the accomplishments to date. Without the kind of support we have received from industry, it would have been impossible to achieve our present position, regardless of the amount of funds available. But, there are signs that clearly indicate certain segments of industry are cooling off as it were, because it appears, to them at least, that the Government and some of the States are beginning to lose interest in the program and that it will wither on the vine and eventually die. This is a contagious state of affairs, that at this time can only be counteracted by renewed support for this program at all levels of government. Again, may I ask this committee's serious consideration of this matter and express the hope that you will see fit to adequately finance this program to its logical and early conclusion.

I wish to express my own appreciation, and that of the organization I represent, to this committee for giving me this time today and allowing me to present our case.

I thank you.

Mr. MARSHALL. We appreciate your coming.

Mr. ANDERSEN. As you know, Mr. Chairman, earlier in the hearings I have questioned the advisability of what the budget is doing to this program by gradually curtailing it because I think here is one program, Dr. Bendix, as you have said, the quicker we work at it, the more quickly we will receive the results that we want to see, and that is complete eradication, if possible, of this dread disease throughout America. It might not get complete eradication but at least down to the point where it will be harmless and by constant vigilance we can keep it within control. That is why I am inclined to bring that up above the $15 million figure. I am inclined to believe, Dr. Bendix, unless we do make a decided increase above the $15 million-plus administrative expenses, which is in the budget before us, that we are perhaps just holding the line without doing anything toward making progress in diminution of the incidence of the disease.

Am I correct? In other words, we have to spend more money than the $15 million if we hope to have a picture showing that curve going downward from now on?

Dr. BENDIX. That is right, sir. We are at this time, we are now slowly losing ground.

Mr. ANDERSEN. Are we actually losing ground today, you think?

Dr. BENDIX. Yes; in this respect, sir. Industrial supporters go along as long as we actively push forward at as rapid a rate as does industry, as industry will take the eradication program. When we begin to drag our feet as we do not have about half of the counties in the Nation certified. Of course there are restrictions on moving livestock from certified to uncertified but if we don't proceed to finish the job, industry is going to begin to ignore those restrictions and move untested and unclean cattle into the clean areas. We don't have the staff to police completely that sort of thing. There we begin to reexpose and reinfect our clean areas and that simply means loss of ground and from the States' standpoint, the whole thing will be a tremendous waste of money and cause a tremendous loss of confidence on industry's part until the whole disease control apparatus of the State and Federal Government fails.

Mr. ANDERSEN. Doctor, here we have a disease which not only causes loss to the producer and farmer but it affects thousands of human beings, does it not? What figures do you have on the cases of human disease because of brucellosis, how many cases of undulant fever were there according to your latest figures?

Dr. BENDIX. 721 reported cases of undulant fever in the Nation. This is the report from the National Institutes of Health for fiscal 1959. I do not have the fiscal 1960 figures. This is almost one-tenth that were reported in fiscal 1957 and the 11- to 12-year period when they reported 6,321 cases. This is directly the result of the tremendous reduction in brucellosis infection particularly in cattle in the same period and it is specifically referred to as such in a public health report that came out about the middle of November.

Mr. ANDERSEN. In other words, by the appropriation of this subcommittee, we have made it possible to see undulant fever cases drop from 6,321 in 1498 to 721 at this time, is that correct?

Dr. BENDIX. That is exactly correct, sir.

Mr. ANDERSEN. To me that represents the saving of a good many lives in this country of ours, especially of children, isn't that a fact?

Dr. BENDIX. Brucellosis in the human is a rather serious disease; chills and fever that accompany a rather acute attack are fairly readily controlled but then it kills you with a heart attack about 2 years later when you think you are completely recovered.

Mr. ANDERSEN. Almost invariably it leaves its mark upon the subject.

Dr. BENDIX. Yes.

Mr. ANDERSEN. I want to say before this subcommittee, that here, I think, is one place we should go over the budget.

Dr. BENDIX. I couldn't agree with you more. Thank you.

Mr. ANDERSEN. Thank you very much, sir.

AGRICULTURAL CONSERVATION PROGRAM

HON. HERBERT C. BONNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA
DR. PAUL JONES, PITT COUNTY, N.C.

Mr. WHITTEN. Gentlemen, we are pleased to see you come here with our friend and colleague, Herbert Bonner of North Carolina.

When I first came here, I was fortunate in being located in an office close to Mr. Bonner's. We have been longtime friends. I have been on this committee, as chairman of it, for some 8 or 10 years, and serving under the chairmanship of my friend from Minnesota, Carl Andersen, the other years. During all this time, Mr. Bonner has always been a strong supporter of agriculture, and particularly the Soil Conservation Service, and the ACP program.

But I want to say this for the record: He and I almost have made a career in Congress restoring funds to the ACP, funds which the budget tried to do away with.

But, when we mark up this bill, we have to sell it to the whole Appropriations Committee, and then we have got to sell it to the House and the Senate and get it all the way through. The record we have, and the proof and evidence that we have in our hearings, becomes our basis for selling it on down the line.

The folks we have had here from North Carolina, and the record will bear me out, have done the best job of proving the need and the value of this work, not just to the individuals involved, but to the future of our country.

I am pleased to see you here, and I am pleased to see you in such good company.

I will let Mr. Bonner present these gentlemen.

Mr. ANDERSEN. First, Mr. Chairman, I want to add to your kind remarks about Mr. Bonner. I have served with him a good many years, as you have. I don't know of any man in the Congress more dedicated to the welfare of our Nation, especially agriculture, than Mr. Bonner, gentlemen.

Mr. BONNER. Incidentally, you and I served on the Public Roads Committee.

Mr. ANDERSEN. Years ago.

Mr. BONNER. Mr. Chairman, I appreciate your kind remarks, both from you and the ranking member of the committee, and I appreciate the opportunity to have a chance to present these gentlemen.

The first gentleman who will present the case is Dr. Paul Jones, of Pitt County. The next gentleman is Mr. Poe Worthington, Pitt

County ASC committeeman; the next gentleman is Mr. George D. Cox, of Winterville, N.C.; Mr. Ralph C. Tucker, vice president, Guaranty Bank & Trust Co., Greenville, N.C.

I may say that is one of the largest banks in North Carolina, that recently joined with the Wachovia system.

The next gentleman is Mr. Beverly Congleton, merchant and farmer of Stokes, N.C.; the next gentleman is Mr. Fred Darden, farmer, of Farmville, N.C. He is also a civic leader.

And Dr. Jones, gentlemen, of Pitt County, where these gentlemen come from, which is the largest agricultural county in North Carolina. They have diversified agriculture.

Of course, tobacco is the main crop in the county, but they have peanuts, corn, livestock, and other things; and it is the principal industry of the county. It is the home of one of the branches of the greater University of North Carolina, a college with about 5,000 or 6,000 students.

Pitt County and North Carolina are greatly interested in this program. This program has meant a great deal not only to this county, but to the State of North Carolina, and agriculture throughout the State and throughout the South; and I know it has meant a great deal to the areas from which you gentlemen come. Mr. Chairman, I urge the full amount of 250 million be included in your bill. The amount of 100 million is insufficient, will not effectively carry out the program. Any amount less than the 250 million will be a catastrophe.

Dr. Jones will present the statement for the group.

STATEMENT OF DR. PAUL JONES

Dr. JONES. Mr. Chairman and members of the committee, first I would like to tell you that, as a committee, we are very proud of the representation that Mr. Bonner has given us in the First Congressional District in North Carolina. We think a lot of Mr. Bonner, and he rendered us a service. I would like to have that go in the record.

Mr. Chairman and gentlemen of the committee, I appreciate this opportunity to appear before this committee to testify on behalf of the agricultural conservation program. I am appearing not only to present my own views, but also to testify on behalf of the many conservation-minded farmers who cannot appear for themselves.

Several weeks ago the farmers, in my section of the county, became aware of the proposed reduction of ACP appropriations from $250 million to $100 million for 1961. After receiving this news, there was a spontaneous reaction by a group of interested farmers to appeal for a continuation of the present ACP appropriations.

A meeting was called, and, as a result of this meeting, I was nominated and elected to be the chairman, and to present the views of this group of farmers.

Speaking for myself and for my fellow farmers, I strongly recommend that the appropriation for ACP be maintained at the present level of $250 million annually.

It is my conviction and the conviction of my fellow farmers that the ACP is the best program now available to assist the individual farmer in carrying out the needed conservation practices on the farm.

Mr. ANDERSEN. Our chairman, Mr. Whitten, has brought out several times through the last few years, and I think rightly so, that in

conservation we get more for our money in this particular program than most any other program advanced by the Congress. I want you to know that, in our committee, you have a very steadfast patron of what you are preaching here before us today. If it had not been for our chairman, that amount through the years would have steadily declined, and I want you gentlemen to realize that.

Mr. WHITTEN. Our subcommittee has been that way. There have been one or two who are not here now who haven't been as enthusiastic about it as all of us that are here.

Dr. JONES. We wanted this committee to know that we were deeply interested in the program, and appreciative of what has been done by the committee, to keep it in action.

In Pitt County, N.C., the ACP is so popular that many requests cannot be approved because of limited funds. Year after year the assistance requested by local farmers more than doubles the amount that is allocated to the county program.

For example, in the first 3 months of 1960, the county committee approved $60,000 to farmers in Pitt County; however, more than $200,000 was requested during this same period.

To verify the fact that ACP is needed, and that the farmers are interested in the program, I want to point out the following participation in ACP in Pitt County, N.C.:

In 1955, 501 farmers participated, representing 18 percent participation. In 1956, 720 farmers participated, that being 26 percent participation. In 1957, 713 farmers participated, this being 25 percent participation. In 1958, 955 farmers participated, being 34 percent participation. In 1959, 1,261 farmers participated, being 45 percent of participation.

These data indicate that the farmer is becoming more interested and more dependent upon soil and water conservation practices. Also, the participation and acceptance by farmers is a strong argument for continuing the present ACP appropriations.

In the past several years, I have been fortunate in receiving assistance on my own farm through the ACP. In 1955, I received assistance for permanent grass and legume, and cover crop; in 1956, I again received assistance for grass and legume, and cover crop; and again in 1959, I planted cover crop with ACP assistance.

From personal experience, I can testify that these practices would not have been carried out to the needed extent, had it not been for ACP.

I can also testify on behalf of my fellow farmers, whose views I am presenting, that they have had similar assistance through ACP. The ACP is widely accepted, because it gives the farmer an opportunity to select the conservation practices that will best fit into his farming operations.

At the present time there are 12 practices included in our county agricultural conservation program. These practices include permanent practices such as: tile, open ditch, irrigation ponds, forest improvement, terracing, and permanent cover.

In addition, temporary soil building practices such as: vegetative cover and cover crop practices are included.

Every one of these practices are widely used in Pitt County, and this program approaches conservation problems through many selected ways, and it attacks our conservation problems right on the grassroot level, where these problems get started.

I can remember years ago when conservation wasn't stressed and when ACP wasn't as widely accepted as it is today. I would drive through the countryside and I would see our topsoil being blown or washed away. Today, when I drive through this same countryside, the eroded land is replaced by permanent cover, winter cover crops, and other conservation practices.

It is my opinion, and the opinion of my fellow farmers, that this conservation work done on our land is due largely to ACP.

We believe that the ACTP not only assists the farmer; but it also improves the entire community in appearance and overall value. The ACP also works hand-in-hand with the county extension service and the local soil conservation service. Through this cooperation other benefits, in the form of education and technical know-how of conservation, is within the practical limits of every farmer.

In North Carolina we have many small farmowners, tenants, and sharecroppers, and we feel that ACP is an excellent means by which to promote, develop, as well as to assist in conserving our precious natural resources.

My friends, this proposed reduction in funds for ACP is a serious problem with the farmers in this Nation. We do not come before this committee for selfish reasons; but we believe that we owe it to our Nation and to the future generations to maintain our natural resources.

The agricultural conservation program is one of encouragement and guidance with aid. Experience has proven that some positive assistance must be provided if farmers in general are to carry out the necessary conservation practices.

We believe that it is the responsibility of this generation to pass on to future generations the natural resources that will provide them with the basic necessities of life. We also believe that everyone has a stake in conservation, and that ACP is more important to the consuming public than it is to the farmer.

Gentlemen, as a farmer, and in behalf of my fellow farmers, I strongly recommend that the appropriations for ACP be at least $250 million for 1961.

Mr. MARSHALL. We thank you for a fine statement.

I want to say to you that this subcommittee has long been interested in the ACP program. We have repeatedly restored the advance authorization for ACP.

I would like to further call to your attention that we sometimes have difficulty on the floor of the House, but we always note with a great deal of pleasure that we can depend upon the North Carolina delegation to be on the floor and help us when we have the battle.

Chairman Bonner of the Merchant Marine and Fisheries is always dependable. We have never lacked his support in a program of this kind.

Dr. JONES. If you need any assistance from any of us, speaking a quiet word to our Congressmen, we will be glad to do that at the grassroots level.

Mr. MARSHALL. Were there others who wished to file a statement, or to offer anything?

Dr. JONES. That is the statement for the committee.

Mr. BONNER. I might say that these gentlemen are outstanding members of the agricultural profession and other professions, and

they could have brought a delegation many times larger than this. They represent the various areas of the largest agricultural county in North Carolina, and a county that has more farmers than any other county in North Carolina and, in all probability, any other county in the United States. It is a tremendous county, and the population, in its majority, is rural.

Mr. MARSHALL. There is one thing that is always overlooked about the value of this ACP program, from the standpoint of conservation, and that is that it is a cooperative program. No farmer gets anything unless he has contributed a pretty good proportionate share of the cost, and the effort of putting this program on the land.

In my estimation, we get the most conservation actually put on the land for the dollars spent of any of our programs.

Mr. BONNER. It is a joint program between the farmer and the Government, the landowner and the Government, to preserve the soil for future generations.

I thank you, gentlemen, for the opportunity to be here before you.

Mr. SANTANGELO. Before we adjourn, I would like to associate myself with the remarks made by the chairman and Mr. Andersen about our colleague, Mr. Bonner. While a former member of the Merchant Marine and Fisheries Committee, I enjoyed the chairman's inspiration and guidance.

Mr. HORAN. I want to compliment the gentlemen from North Carolina on their wise choice of a good Representative in Congress.

We like Herb Bonner around here. He is a hard worker, too.

Mr. ANDERSEN. May I say this, Mr. Bonner, that I don't consider it extravagant on the part of our Congress or our Government to expend maybe half a billion dollars, and that is the most we expend through all these programs, including ACP if we put in $250 million. But, take soil conservation and the watershed program, the Great Plains, the research in all of its phases, I doubt whether we expend $500 million a year on conservation. When this same Congress and administration, or the same American people can throw away, overseas, in 1 year six times that amount, without batting an eyelid, so to speak, I think we could at least expend $500 million a year in conserving our soils and preserving the ability of future generations to help these good people abroad. Don't you agree with me?

Mr. BONNER. I congratulate you on your wise words. I think it is high time we were going to do something like that.

Mr. Chairman, I am appreciative of the kind words that have been said about me; and I have graduated from my Committee on Merchant Marine some gentlemen that I hated to graduate, and you have got two of them here today. I hated to lose them. I hated to lose our association and their cooperation and their splendid guidance. And to me, as chairman of one of the 18 committees of the House, we appreciate it, gentlemen.

We know you are busy. We appreciate this opportunity.

Mr. NATCHER. Dr. Jones, I want to thank you for your fine statement; and thank all of you gentlemen for your appearance before our committee at this time. Your Congressman is one of my neighbors, and I consider him one of the outstanding Members of the House. We appreciate your coming before our committee.

Mr. BONNER. I am interested in this program. I am a farmer myself.

Dr. JONES. I would like to make one final statement, and that is, as this program is reduced according to budget recommendations, and we have to accept our proportionate part of that reduction, you might as well throw the program out; it will be empty.

Mr. ANDERSEN. Let me make one final statement. This subcommittee is not going to accept that proposal, gentlemen.

Dr. JONES. We certainly hope not. Thank you for letting us come here.

AGRICULTURAL CONSERVATION PROGRAM

WITNESSES

HON. CLIFFORD G. McINTIRE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE
EDWARD HEWS, PRESQUE ISLE, MAINE

Mr. MARSHALL. We are pleased to have at this time before this committee our good friend, Congressman McIntire from Maine, a member of the Agriculture Committee, an outstanding Member of the Congress. We would like to hear from you, Congressman McIntire.

I presume you would like to introduce the gentleman to testify.

Mr. MCINTIRE. Thank you, Mr. Chairman; members of the committee: I was very much interested to drop by and I do appreciate the privilege extended me to introduce to you Mr. Edward Hews, of Presque Isle, Maine, a farmer in our neighborhood. It has been my pleasure to have known his dad, and the interest that his family has, the very active part they have had in agriculture in our home county.

Eddie is a very outstanding young farmer in our area, and has been very active in agricultural matters within the county; and I am particularly happy that he is interested enough to come down here at his own expense and express his thoughts to the committee. And I want to thank the committee for permitting him to be on your schedule.

At a later date, I have some testimony of my own, but I don't want to take further of your time.

Thank you very kindly.

Mr. MARSHALL. We are always pleased to have you come before our committee, and we are pleased that you have Mr. Hews here, who has come down to testify before this committee; we appreciate that very much.

Mr. HEWS. Thank you, Mr. McIntire.

STATEMENT OF MR. EDWARD HEWS

Gentlemen, it is indeed a pleasure and a privilege to appear before you this afternoon in regard to the ACP appropriations for 1961.

I am a farmer and potato grower in Aroostook County, Maine. I raise approximately 80 acres of potatoes and 35 acres of grain each year. My farm is located in the central part of Aroostook County, near the city of Presque Isle.

My concern for the agricultural conservation program and its effect on our farms in Aroostook County, has prompted my presence before you today, and I am sure that you will realize that my presence here, at my own expense, is evidence of this fact.

For as many years as I can remember, the agricultural conservation program has been used on our farm to improve the soil fertility and

maintain its usefulness in our great Nation's economy. I am sure if this program was not considered an essential part of our farming operation, my father would not have continued to spend his money for that purpose, and I am sure I would not have considered it as equally important throughout these past years of dwindling prices for our commodities.

As you all know, to participate in the agricultural conservation program, a farmer must match the Government cost-share in equal proportion. In Maine, the ASC State committee has substantially reduced cost-sharing rates since 1955, in order to serve more farmers who need help on their farms, through the agricultural conservation program.

This means the farmers have had to pay more out of their pocket for some practices in order to participate in the program.

These reductions are on seeding-down or cover practices. Establishment of permanent vegetative cover practice was reduced from $11 to $5 per acre. Cost-sharing assistance for fertilizer was reduced as follows: Nitrogen from 8 cents to 7 cents per pound; phosphoric acid from 5 cents to 4 cents per pound; and potash, 3½ cents to 3 cents per pound.

As stated above, these reductions are made in order to service more farms in the State of Maine.

We, as farmers, are not greatly concerned about spending more than our share of money for the practices cut; our concern stems from the lack of moral support on a very constructive program in agriculture.

The Secretary of Agriculture, in my opinion, need only to look over the agricultural conservation program to realize this program is the most important land-conserving vehicle he has, to maintain the Nation's largest and most essential industry; namely, the food supply to keep this United States the most powerful and influential nation in this world today.

I would like to elaborate a little more on the essential part that this program plays in our great State of Maine. The farmers are more than enthusiastic about ASC or ACP programs. They found that it has helped them when the help was needed. I feel certain that any time this program is reduced to a point that it wasn't useful in the State of Maine, you would find a deteriorating factor in the farmer's livelihood. He is having all the problems he can stand to maintain his farm and stay alive.

As you gentlemen know, our product, potatoes, is not supported. We sometimes wonder if we should ask for support or not, but we are happy to be supplying an essential food to this great country. In order to do so, we ask that we have the support from our Government. In this program, I am sure is one of the most constructive ones you will find in agriculture today.

One only has to look at the farmers' request for Government cost-shares in any agricultural area, and the figures will indicate justification as to why the current program should be continued at least $250 million.

In Maine, for example, 6,127 farms requested assistance under the ACP program in 1956, with a total dollar value of $1,706,392. This represented 177 percent of the funds available for 1956 in Maine.

In 1957, 6,403 farms requested assistance, totaling $2,007,032, being 205 percent of the total funds available. In 1958, 6,464 farms re-

quested assistance, totaling $2,011,761; this represented 228 percent of available funds.

In 1959, 7,098 farmers requested $2,152,923, equaling 221 percent of funds available. In 1960, as of February 15, 6,816 farmers requested $1,969,750, equaling 201 percent of funds available.

It is interesting to note that ACP enrollment and requests for cost sharing have held up and increased over the past 5 years, in spite of the fact that nearly 3,000 farmers have entered the soil bank during this same period. And 1,600 of those farms have entered into soil bank contracts during 1959 and 1960.

Farmers may enroll in the ACP program at any time during the year. Maine is faced with a serious problem in allocating current funds, with present requests totaling more than twice available funds. Even after reducing farmers' requests, the county committees have found it necessary to commit funds from the following year's allocation to fulfill the farmers' needs.

Being from Aroostook County, I am especially interested in our county's ACP allocation.

I now present to you our situation in my home county, with the hope that these figures will further illustrate our great need for a substantial agricultural conservation program. It is the farmers desire that you at least maintain the present $250 million ACP budget and hope you will consider an expansion of this program in the very near future.

Aroostook County, Maine, is the largest county east of the Mississippi River, and there are approximately 3,800 farmers. The records of the county ASC office, which are available for inspection by anyone, show in 1957 they received 1,843 requests from farmers for Government cost shares, amounting to $583,553. This represents 244 percent of the available county fund of $238,640.

Total requests in 1958 were 1,989, amounting to $483,608, or 218 percent of the available fund of $226,290. In 1959, 2,240 farmers requested Government cost shares amounting to $626,035, or 255 percent of the $245,100 available.

As of February 15, 1960, 1,998 farmers have requested Government cost shares amounting to $452,400, or 183 percent of the available funds of $247,296.

In view of the high farmer participation and public acceptance of the agricultural conservation program, it appears not only desirable but logical that we, the Government, should continue its partnership with farmers to bring about the needed conservation measures on the land, and keep this land in the highest possible fertility for the good of this great Nation now and in the future.

In closing, I again want to express my thanks to you gentlemen for so patiently listening to my testimony

I wish to specifically pay tribute to the Honorable Clifford G. McIntire from my home district, and the Honorable Frank M. Coffin, who have so ably supported our cause in the past, and solicit yours and their support for an expanded ACP program in 1961.

Mr. MARSHALL. We thank you for coming down here, particularly at your own expense, and giving us the benefit of your views. I think that is commendable.

This committee has had a record which has been based, over the years, on support for the ACP program, and I am sure that you are

going to find that we are going to continue that interest in support of that program.

We do appreciate any assistance we can get.

Mr. ANDERSEN. Mr. Chairman, I cannot let this opportunity go by, but to join the gentleman who has testified before us, in paying tribute to Cliff McIntyre. I have served with Cliff for a good many years. I think we in agriculture all over America are fortunate to have a man of his caliber interested as he is in our problems. I have found this about Mr. McIntyre, that he is not only interested in his potato growers; he looks beyond them, and is always willing to show interest in the problems facing us in Minnesota, and Walt Horan in the State of Washington; and that is why we think so much of your Congressman. He is our friend as well as yours and we appreciate his dedicated service in the Congress.

Mr. HEWS. I will convey back to my people at home your feelings, sir.

If I could impose just 1 minute longer, if you gentlemen would desire, I would like to say a few words on the soil bank program in Maine, in Aroostook County, and how much we so desire a future program.

If I may impose on you, I would like to present some figures and some of the observations in our great Aroostook County.

This program, since 1956, has started a revolution. We have found that it has made an era of dependency, perhaps, and it has given us a shot in the arm. As one banker said just recently, since the enactment of the soil bank and the farms entering into soil bank in Aroostook County, in the State of Maine, he has found that land prices have stabilized. Being in the banking business, he has found that agricultural investments have been risky.

Now he is looking at it in a different light, because when he lends money on land, the soil bank has stabilized this land's value, so that he knows his dollar is comparatively safe. In that light, and in the light of many, many excellent farms and farmers of retirement age, of ages wanting to live a little easier, they are taking and putting their farms in the soil bank, and I can show many instances where we have farms of the highest production in Aroostook County, and they have entered the soil bank.

Mr. ANDERSON. In connection with the soil bank, I think we in agriculture are faced with one big problem above all, and that is a temporary surplus. I believe, too, that the soil bank as of today is the only real article, only real instrument at hand, by which the people of America have a realistic measure to reduce production. Won't you agree with me on that?

Mr. HEWS. I will agree wholeheartedly.

Mr. ANDERSEN. I want to say this, that I disagree with the Secretary in his insistence on taking whole farms out of production. I would much prefer making a limitation of, say, 50 percent of the acreage of any one farm going into the soil bank for the simple reason that there is no question but in certain areas the taking of too many farms out of production has hurt the economy temporarily of that particular area.

Mr. MCINTIRE. Could I speak to that point? I am sure you would be interested, Mr. Andersen, in my district I have one county which I will say very frankly is not an agricultural county in relation to many other counties. However, in that county we have already reached the

maximum of 25 percent, which, administratively, is allowed, so no more farms can come out of that county.

In the home county of Mr. Hews and myself, we have some communities that are in excess of 30 percent of their land already out, but have had little adverse reaction relative to that fact.

I appreciate this would not be true in some other State. I am only reporting my own situation. In our State about 97 percent of the land that has gone into the soil bank has been whole farms.

Mr. ANDERSEN. I realize that, but your overall economy is somewhat different from mine in Minnesota.

Mr. MCINTIRE. Which is a high figure, and we have got about 15,000 acres of that set aside for reforestation.

Mr. ANDERSEN. I will end this short discussion, Cliff, by just saying this, that today I do not know of any other reasonable approach to this great problem we are faced with, other than soil bank, to get land out of production.

Mr. MCINTIRE. I agree with you wholeheartedly; and thank you, Mr. Chairman.

Mr. MARSHALL. We thank you for appearing before the committee.

REA TELEPHONE PROGRAM

WITNESSES

DOUGLAS GLEASON, NATIONAL REA TELEPHONE BORROWERS COMMITTEE
HAROLD L. ERICSON, HECTOR, MINN.

Mr. MARSHALL. We will be glad to have our colleague Congressman Anderson, whom we think a great deal of, not only a good friend of myself personally, but a real friend of the people in Minnesota, present the next witness.

Mr. ANDERSEN. Thank you, Mr. Chairman.

Mr. MARSHALL. The work that Congressman Andersen has done in behalf of agriculture is recognized in this Congress, and nationwide.

Mr. ANDERSEN. I would like to introduce to the committee first Mr. Douglas Gleason of Ottawa, Kans. Mr. Gleason is senior law partner of his firm, and he has been for a good many years connected with the independent telephone industry.

The other gentleman is Mr. Harold L. Ericson, who is better known to me personally. It happens that Mr. Ericson, while his home is in Hector, Minn., also operates my hometown telephone facility in Tyler, Minn., and the area around there. Because I so highly regard Mr. Ericson's judgment, I personally requested these gentlemen to come here and express the viewpoint of the private companies relative to the RTA program.

We have heard from the cooperatives, and these gentlemen will give the viewpoint of the others. The excellence of the RTA program is very clearly shown, gentlemen, when not only cooperatives but also private industry can take advantage of it.

It is only through such concerted efforts that we are going to solve the problem of bringing better telephone service to all of rural America.

Thank you, Mr. Chairman, for the opportunity of introducing these gentlemen.

Mr. MARSHALL. We will be glad to hear from you at this time, Mr. Gleason. You may proceed.

Mr. GLEASON. Thank you for this opportunity to appear before you on behalf of the independent telephone companies and cooperatives who make up the membership of the National REA Telephone Borrowers Committee.

The entire membership is grateful to you, and I am personally grateful for this courtesy you have extended to us.

For the record, my name is Douglas Gleason and my residence is in Ottawa, Kans. I am senior partner in the law firm of Gleason, Gleason, Doty & Logan, with offices in Ottawa and Topeka, Kans. My association with the independent telephone industry extends over the past 14 years. For the past 8 years I have served and am now serving as secretary and counsel of the Kansas Telephone Association. Also, I am a stockholder, director, and officer of an independent telephone company which serves a number of rural communities in the State of Kansas.

Late in 1959 I was asked by the National REA Telephone Borrowers Committee to accept employment, at least on a temporary basis, as executive director of the committee; because accomplishment of the purposes of the committee was considered important, the board of directors of the Kansas Telephone Association and my law partners all approved my acceptance of the employment for a period of from 6 to 8 months. My appearance here is in my capacity as executive director of the committee.

Because the National REA Telephone Borrowers Committee has not made an appearance before you in prior years, perhaps it will be appropriate for me to make some brief reference to the character of the group. The committee is an informal organization of telephone companies and cooperatives who provide telephone service in the rural areas of our country. All of them have borrowed money from the Rural Electrification Administration to finance construction of new plant or improvements to existing facilities. The membership designated an executive committee of 16 telephone men to administer the business of the committee.

These men have devoted themselves unselfishly to the advancement of the common purposes which brought these telephone companies and cooperatives together. They have served without compensation for their services or reimbursement of their expenses. My duties are to serve as the executive officer of the committee, to be directly responsible for coordinating the efforts of the membership and to do the detailed administrative work necessary to accomplish the objectives of the membership under the direction of the executive committee.

One of the several purposes for which the National REA Telephone Borrowers Committee was formed, and consequently one of my several duties, was to make studies to determine telephone loan fund requirements for the fiscal year 1961 and to make the results of the studies known to this subcommittee.

We have completed some rather detailed studies, and I have come here to present the committee's respectful request that you give consideration to our findings in making your determination of the amount which should be appropriated for rural telephone loans for fiscal 1961.

The basic information employed in our study was secured from telephone companies and cooperatives who had already secured a loan

from the Rural Electrification Administration. These companies and cooperatives all have had experience in determining the number of people in a new service area who will actually want telephone service. They have all constructed or contracted for the construction of telephone systems. Their estimates of the probable costs of extending service in new areas are probably as reliable as could be obtained.

On the strength of some statistical advaice, we determined that we would have to obtain actual requirement figures from 25 percent of all the existing telephone borrowers before our information could serve as a sound basis for estimating total loan requirements.

In the course of making the loan requirement study it was determined that one further refinement would add much to the reliability of our estimate of total loan requirements. Estimates of future population changes in the United States vary substantially from one geographical area to another and population changes influence the need for telephone facilities.

We became convinced that we should secure information from 25 percent of the borrowers in each of several different geographical areas. The lines of administrative responsibility within the Rural Electrification Administration for the telephone loan program provided an excellent guide in that respect.

In August of 1959 the Rural Electrification Administration reorganized and streamlined its administration of the telephone loan program. All of the States and possessions were divided into five geographic areas. The areas were designated northeastern area, southeastern area, north central area, southwestern area and western area. Each area designation describes generally the portion of our country which is included within it.

Direct supervisory and administrative responsibility for the telephone loans in each area is vested in one of the five respective area offices established within the department here in Washington. Each area office is headed by a director and all of the area directors report to the Administrator through the Assistant Administrator for the telephone loan program and the Deputy Assistant Administrator.

Early in November of last year there were 684 REA telephone borrowers. We forwarded questionnaires to each of them. We requested the most accurate information available as to their plans for the succeeding 18 months. We specifically asked them to furnish us with the number of rural homes or businesses they had scheduled for new or improved service. We asked them to provide us with the amount of telephone loan funds they would require to construct the plant and facilities for the new or improved service. Further, we urged them to complete the questionnaires and return them to us even if they had no plans for extending new services and no requirements for loan funds.

Our response must be regarded as excellent. Of the 684 borrowers, 280, or 41 percent of them, completed and returned the loan requirements questionnaires. The number of borrowers, the number of borrowers returning questionnaires, and the amount of the loan requirements for each State in each area and the percentage of all the borrowers in each area who returned questionnaires is set forth here in the text of this statement for convenience of reference:

(The tables referred to follow:)

NORTHEASTERN AREA

State	Number of borrowers	Borrowers reporting	Amount of loan requirements
Indiana	21	6	$1,680,000
Maine	10	3	500,000
Massachusetts	1	1	100,000
Michigan	12	1	131,000
New Hampshire	1	0	0
New Jersey	2	1	0
New York	6	5	1,500,000
North Carolina	17	8	900,000
Ohio	9	1	0
Pennsylvania	17	6	5,000,000
Vermont	1	1	25,000
Virginia	12	2	100,000
West Virginia	7	3	2,480,965
Total	116	38	12,416,965
Percentage of all northeastern area borrowers reporting, 32.			

SOUTHEASTERN AREA

Alabama	17	12	$4,159,000
Florida	7	3	1,150,000
Georgia	34	14	4,269,000
Kentucky	18	10	6,233,238
Mississippi	12	1	0
South Carolina	15	5	350,000
Tennessee	20	9	1,650,000
Total	123	53	17,811,238
Percentage of all southeastern area borrowers reporting, 43.			

NORTH CENTRAL AREA

Illinois	27	15	$6,616,900
Iowa	39	17	10,066,500
Minnesota	35	18	2,899,000
North Dakota	12	8	1,770,000
South Dakota	14	10	1,918,000
Wisconsin	43	21	898,570
Total	170	89	24,168,970
Percentage of all north central area borrowers reporting, 52.			

SOUTHWESTERN AREA

Arizona	2	1	$1,200,000
Arkansas	11	4	1,750,000
Louisiana	19	6	600,000
Missouri	36	14	3,760,000
New Mexico	5	1	25,000
Oklahoma	21	8	2,290,300
Texas	57	11	2,515,000
Total	151	45	12,140,300
Percentage of all southwestern area borrowers reporting, 30.			

WESTERN AREA

Alaska	1	1	75,000
California	9	4	730,000
Colorado	8	3	575,000
Idaho	8	4	153,000
Kansas	36	18	7,844,000
Montana	10	4	1,793,500
Nebraska	10	5	1,471,000
Nevada	2	1	0
Oregon	18	8	190,000
Utah	5	1	38,000
Washington	11	3	550,000
Wyoming	6	2	0
Total	124	54	13,419,500
Percentage of all western area borrowers reporting, 43.			

In order to briefly summarize the foregoing information we here set out the number of borrowers in each area, the number of those borrowers who reported, the percentage of the borrowers in each area who reported, the amount of the loan requirements reported for each area and the percentage of all the REA telephone borrowers who reported.

Area	Number of borrowers	Borrowers reporting	Percentage reporting	Loan requirements reported
Northeastern area	116	38	32	$12,416,965
Southeastern area	123	54	43	17,811,238
North-central area	170	89	52	24,168,970
Southwestern area	151	45	30	12,140,300
Western area	124	54	43	13,419,500
Total	684	280		79,956,973
Percent of all REA telephone borrowers reporting, 41.				

It will be observed that substantially more than the suggested goal of 25 percent of the borrowers in each of the five REA administrative areas provided us with information as to their actual plans for new services and their actual loan requirements. This is an adequate number on which to base an estimate of the loan requirements for all telephone borrowers.

In computing our estimate of the total loan requirements for the fiscal year 1961, we have first assumed that the loan requirements for the borrowers in each area from whom we have received completed questionnaires, are proportionately representative of the loan requirements for all of the borrowers in the area.

This leads to the conclusion, for example, that if 32 percent of all the borrowers in the eastern area completed and returned questionnaires then the loan requirements shown on those questionnaires equals only 32 percent of the total loan requirements of all the borrowers in the eastern area. We have therefore multiplied the loan requirements shown on the questionnaires returned by borrowers in the eastern area by the proper factor to produce 100 percent of the requirements of all the borrowers in that area.

The same assumptions and the same procedures have been used to determine the total loan requirements for all the borrowers in each of the five areas. The percentage of the borrowers reporting, the loan requirements reported, and the computed total loan requirements for each of the five areas is as follows:

Area	Percent of borrowers reporting	Loan requirements reported	Computed total loan requirements
Northeastern area	32	$12,416,965	$38,803,000
Southeastern area	43	17,811,238	41,398,200
North central area	52	24,168,970	46,478,800
Southwestern area	30	12,140,300	40,467,600
Western area	43	13,419,500	31,208,100
Total		79,956,973	198,355,700

It should be understood that this loan requirement information is intended to be expressed only in terms of existing REA borrowers and only in terms of normal telephone service. Consequently the requirements which will undoubtedly be expressed by new borrowers are not included.

Another important factor influencing the level of loan requirements which is not given effect in the above estimates is the necessity of providing normal and special communications facilities for defense installations to be established in areas served by REA telephone borrowers. Some of these installations will need complex and expensive special communications equipment. This is especially true with respect to the intersite communications systems specified for an ICBM missile complex.

At the same time, there are factors at work in our estimate of loan requirements which tend to make it an overstatement of actual needs for fiscal 1961. First, there is a natural tendency for an individual borrower to add some margin to his estimated cost of installing a new or improved service just to be on the safe side.

Second, there is greater reason for the borrower with immediate loan requirements to report to us than there is for the borrower without such requirements to do so.

The influence of this factor may be reflected in the fact that of the 280 borrowers reporting, 182 of them had need for loan funds prior to the end of fiscal 1961. It is not likely that the ratio of all borrowers with loan requirements to the total number of borrowers will be quite that high.

Third, the requirements are stated for an 18-month period. While the great bulk of the requirements so stated will be reflected in loan applications processed for action by the Administrator during fiscal 1961, some small portion will be approved before or carried over beyond that fiscal year.

We have adjusted our computed loan requirements figure to reflect our best judgment of what the actual telephone loan requirements for fiscal 1961 will be. In doing so, we have attempted to give proper weight and effect to all the factors which tend to make our computed requirements either an understatement or overstatement of actual requirements.

It is our best judgment that the total amount required and, therefore, the total amount which should be appropriated for rural telephone loan for the fiscal year 1961, is $170 million. We urge you to include that amount in your recommendations to the full House Committee on Appropriations.

Our judgment as to the amount which should be appropriated is supported by another organization which has done some research to determine the needs of a particular portion of the REA telephone borrowers. The National Telephone Cooperative Association has made studies to determine the amount of loan funds which will be required by the cooperative telephone borrowers during fiscal 1961. At the recent convention of this organization, a resolution was adopted directing its officers to ask Congress to earmark $50 million of the telephone loan appropriation for loans to cooperative borrowers.

About 31 percent of all the telephone borrowers are cooperatives and it can reasonably be expected that their request is for a proportionate amount of their estimate of the total loan requirements. This would indicate that the NTCA estimates of the total loan requirements will be something in excess of $160 million.

We recognize that the amount we recommend for telephone loans is substantially in excess of the amount included for that purpose in the recommended budget. We make our recommendation with full

realization that, on the face of it, to ask you to more than double the Administration's request may appear unreasonable.

We know that our recommendation is supported by the results of a careful study of telephone loan requirements. We know that the best judgment of the people who know best what will be needed is reflected in our recommendations. We are unable to find support in any quarter for the much lower and, in our view, wholly inadequate amount included in the recommended budget.

We believe that the lower amount included in the recommended budget may be the result of a misconception by the Bureau of the Budget as to the purpose of, and continuing need for, the telephone loan program. This belief is fostered by statements made by Maurice H. Stans, Director of the Bureau of the Budget.

In the November 1959 issue, volume 326, of the Annals of the American Academy of Political and Social Science, there appears an article written by Dr. Stans entitled "The Need for Balanced Federal Budgets." The entire volume in which the article appears is devoted to a discussion of inflation and Dr. Stans' article deals with the necessity of limiting Government expenditures to a level comfortably within Government income. Very few, if any, of the people in the telephone industry, all of whom view an analogous relationship between income and expenditures in their own businesses as necessary, would feel sufficiently qualified in the field of Government budgets to question the merits of Dr. Stans' basic thesis.

In the article referred to, Dr. Stans criticizes the continued and increased Government support of the program of the Rural Electrification Administration. Because the telephone loan program is not specially excluded, we conclude that this criticism is intended to include that program.

This criticism embodied in this carefully reasoned article is disappointing because it proceeds from an assumption which we believe to be at variance with the facts.

Dr. Stans states that the—

> 1930's produced a great deal of talk about "pump priming" and "compensatory spending"—

and that during the same decade—

> The country's needs for economic growth and social advancement were gradually given increased recognition at the Federal level.

He then asserted that—

> The aim of economic growth, of social advancement, and of "compensatory" economic stability become intertwined—

and that as a result many Federal activities were established in ways which affected Federal expenditures for long periods of time— if not permanently.

The example of such activities which Dr. Stans singles out for special critical reference is the program of the Rural Electrification Administration.

Dr. Stans makes the assumption that the program of the Rural Electrification Administration was a "pump priming" or "compensatory spending" program. This is clear, despite earlier references in his article to "economic growth" and "social advancement," from his endorsement of the recommended decrease in funds for Government

loans in the budgets of fiscal 1959 and 1960. The only fair conclusion one can draw from Dr. Stans' article is that his erroneous assumption as to the character of the program of the Rural Electrification Administration exerts a controlling influence in forming his department's budgetary recommendations for decreasing amounts for rural telephone loans.

We are convinced that the history of the rural telephone loan program, including the act of Congress which established it, clearly illustrates the error in Dr. Stans' assumption. We believe the unrealistic and wholly inadequate amount for telephone loans included in the recommended budget for fiscal 1961 stems directly from that error.

The rural telephone loan program was never intended to be a "pump priming" activity to give a depressed economy a temporary boost. It necessarily follows that whether it is to be continued and to what extent it is now to be supported cannot, with any real justification, be measured by the current level of this country's general overall economy.

We have no doubt that the congressional declaration of policy embodied in the act of 1949 creating the telephone loan program continues to be the policy of this Congress. That declaration of policy reads as follows:

> It is declared to be the policy of the Congress that adequate telephone service be made generally available in rural areas through the improvement and expansion of existing telephone facilities as are required to assure the availability of adequate telephone service to the widest practicable number of rural users of such service.

This declaration of policy and the loan program adopted to make it effective was 10 years old last October. Already loans have been made to supply adequate telephone service to 1,250,000 rural homes and businesses. That policy and that program remain the hope of the people in at least that many more rural homes and businesses.

Nothing is more clearly apparent from the history of the telephone loan program than that it was born out of circumstances which convincingly demonstrated a broad public need for that program. The need was for low-cost, long-term financing, which would enable independent telephone companies and cooperatives to give effect to the congressional policy.

The need still exists today, and it will continue until all the people in all the rural areas in our land have the communication service they need.

Continued availability of low-cost long-term financing is essential if the declared policy of Congress is to be given full effect. The telephone companies and cooperatives who are REA borrowers have no other source of the needed capital open to them. The people who still have inadequate telephone service or no telephone service at all have no one to look to for the type and quality of service they need except telephone companies and cooperatives who are REA borrowers.

Those who are still to be served were intended as the beneficiaries of the congressional declaration of policy and the telephone loan program, the same as those who have already received adequate telephone service because of that policy and program.

We urge you to continue this rural telephone loan program at a level which promises fulfillment of rural needs for adequate telephone service within the next 10 years. The amount we have recommended

for telephone loan funds will enable the program to go forward at a pace which, if accelerated gradually as it progresses, will achieve that goal. We respectfully urge this subcommittee to endorse and adopt the recommendations we here submit.

In summary, Mr. Chairman, the thing that brings us here primarily is the budget recommendation for telephone loan funds. We find it wholly inadequate and we have come here to present our views on it.

In November of last year, there were 684 borrowers from the REA who were operating telephone companies or telephone cooperatives. We requested information from all of them, regardless of the type of organization they were, as to their plans for serving additional areas for new subscribers in adjacent areas, and the amount of funds which would be required in order to get that job done. We did this consistent with the congressional declaration of purpose and the act of October 1949.

Now, of those 684, all of them have had REA loans; all of them have had experience in determining the number of customers they are likely to serve in an area. All of them have had experience in building or contracting for the construction of telephone plants. Consequently, we believe that the information we have for you is as reliable as any which could be obtained. We received responses from 280 of those borrowers, which is 41 percent of them. We feel that information from even 25 percent of a group would enable us to extend the estimate as to the total requirements for all of the REA borrowers, but we have, as I say, 41 percent.

The REA telephone loan program is administered by five geographic areas, and because the population characteristics and trends have a great deal to do with telephone system requirements, we decided that we could probably present a more accurate picture to you if we broke our presentation down by areas, and then totaled it, and also got at least the minimum number of responses in each geographic area, and that we have done.

In this data which we have prepared, we have for your convenience set forth the number of borrowers which are located in each State, the number of borrowers which reported to us, and the total amount of the loan requirements of those reporting; and then we have explained how we extend the information obtained in that manner to compute the loan requirements for the entire United States for all of the borrowers.

We have computed on the basis of information we received that the total loan requirements for telephone programs for the fiscal year 1961 would be $198,355,700.

Now, because there are some factors which ought to be given weight in making an estimate based upon the information we received, we have attempted to take into consideration and give proper weight to everything that might cause that estimate to be either above or below the actual national requirement, and we have made an adjustment in it, which is explained in the statement, to the extent that we have arrived at what is our best judgment as to the total amount required and therefore the total amount which we believe should be appropriated for the rural telephone loan program for fiscal 1961, $170 million.

And we urge you to include that amount in your recommendations to the full House Committee on Appropriations.

Now our judgment as to this amount, or to the amount necessary, is supported, we believe, by another organization which has already testified before you, and you referred to them, Congressman Andersen, the National Telephone Cooperative Association.

They passed a resolution at their convention to ask Congress to earmark $50 million for loans to telephone cooperatives. Actually, the telephone cooperatives comprise about 31 percent of all of the borrowers, and we believe that they were calculating the amount they wanted earmarked on the basis of their percentage of the total loan requirements. That would indicate that their studies indicated the total loan requirement in excess of $160 million.

Mr. ANDERSEN. Mr. Gleason, is it not a fact that the RTA is, you might say, out of loan money today, and has about $50 million in applications on hand that it cannot fill for the balance of this year?

Mr. GLEASON. That is our information.

Mr. ANDERSEN. That is also our information. Furthermore, they did commit about $104 million for fiscal 1960; and if you were to add to that the other $50 million, the least that this Congress should authorize in the form of new loans for next year should be at least $140 million, rather than $81 million; and that $81 million without a contingency allowance is all the 1961 budget is requesting.

I think that is pitifully weak, Mr. Chairman.

As I brought out yesterday, I believe that this subcommittee should very thoroughly look into the advisability of providing a more realistic figure when we do mark up the appropriation bill, because, after all, gentlemen, let us keep in mind that at all times these are authorizations for loans, and I anticipate that 95 percent of this money will eventually come back to the Treasury of the United States. That is the purpose of the Congress, to use the credit of the United States to bring not only REA, but also RTA and good telephone service into every rural area in America.

I personally want to thank you, Mr. Gleason, for coming here, and you, Mr. Ericson, for taking of your time to do this, because I think it is very essential, very necessary.

Mr. GLEASON. We appreciate that, Mr. Chairman, and all the matters which I have expressed are incorporated here. I know you are very busy. We hope, of course, that you will find time to examine the study that we have made, and to see the soundness of the recommendations that we present.

Mr. ANDERSEN. I wonder, Mr. Chairman, if Mr. Ericson might have something to add?

STATEMENT OF MR. HAROLD L. ERICSON

Mr. ERICSON. I think Mr. Gleason has covered my statements or fee'ings completely.

I would like to bring out one point, though, that our committee, represents all the borrowers, including those who are cooperatives and those who are commercial companies. We have active participation in our group from people who represent cooperative organizations, and we feel that the problem of bringing telephone service to rural America is a problem that can be handled by either group, depending upon the geographic situation. In one area it might be a commercial company; in another it might be the cooperative. The problem is still the same.

Mr. NATCHER. Mr. Gleason, I want you and Mr. Ericson to know that we appreciate your appearance before this committee, and certainly appreciate the fine statement that you gentlemen made.

Mr. Ericson, I want you further to know that you are represented by one of the most respected and one of the greatest men in the Congress of the United States. I say to you advisedly, that the American farmer has no better friend in Congress than your Representative. I have said this on the floor of the House more than one time. I had the honor and privilege of saying that to the Secretary of Agriculture, Mr. Benson, within the past 10 days.

I want you to know that that is the way the people in my section feel about it. I am from Kentucky. There is nothing sectional about your Representative. He is for agriculture and the American farmer, and I have seen him tested time after time. Your State is indeed fortunate to have two Representatives on our subcommittee, my friend Fred Marshall and my friend Carl Andersen.

I just want you to know how the people down in the southern section of this country feel about your Representative. Thank you very much, Mr. Chairman.

Mr. MARSHALL. We thank you very much for appearing before the committee.

COTTON RESEARCH

WITNESSES

HON. GEORGE H. MAHON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS
WILLIAM RHEA BLAKE, EXECUTIVE VICE PRESIDENT, NATIONAL COTTON COUNCIL
ROBERT R. COKER, ADVISER TO BOARD OF DIRECTORS, NATIONAL COTTON COUNCIL
JAMES D. HAYS, DIRECTOR, NATIONAL COTTON COUNCIL
RAY FORKNER, LUBBOCK, TEX., GINNER DELEGATE, NATIONAL COTTON COUNCIL
GEORGE W. PFEIFFENBERGER, LUBBOCK, TEX., PLAINS COTTON GROWERS
ARTHUR W. FISHER, VICE PRESIDENT, CANNON MILLS CO., KANNAPOLIS, N.C.
GEORGE S. BUCK, STAFF MEMBER, NATIONAL COTTON COUNCIL

NATIONAL COTTON COUNCIL

Mr. MARSHALL. We will be very glad to hear from our good friend and able Congressman from the State of Texas, Congressman Mahon.

Mr. MAHON. Thank you, Mr. Chairman. I have a couple of good friends from my district here with other representatives of the Council.

I wanted to come up and speak of my interest in the project. We are grinding away downstairs on the military budget. Of course, we are engaged in this civil rights discussion on the floor, so I won't take your time, but I am pleased you have been so generous as to hear our friends on these matters which are of great interest.

Mr. MARSHALL. We certainly assure you that we will be glad to hear from these people.

Mr. ANDERSEN. I want to say to these gentlemen from Mr. Mahon's district that I hope they know what a valuable Congressman they

have in the person of Mr. Mahon. He is a true statesman who is both admired and respected by all of his colleagues. I say that on the basis of 21 years of service in the Congress.

Mr. MARSHALL. Mr. Blake, if you will proceed.

Mr. BLAKE. Thank you, Mr. Chairman.

We have here a delegation from the cotton industry.

Mr. ANDERSEN. I am sure these gentlemen representing the National Cotton Council realize what great services our chairman has done for the cotton industry, sitting right in this subcommittee. In fact, I think had it not been for him insisting on the Secretary of Agriculture disposing of our cotton abroad at competing prices, gentlemen, your cotton industry really would have been in bad shape today, and to me Jamie Whitten has done more for cotton and the producers of cotton than any man in the Congress of the United States. I say that advisedly.

Mr. WHITTEN. I thank my colleague.

Mr. BLAKE. Mr. Chairman, let me also say to Mr. Andersen that we certainly concur in his views of the chairman. We appreciate him greatly, and we appreciate especially your fine tribute to him.

Mr. ANDERSEN. Thank you, sir.

Mr. BLAKE. Mr. Chairman, on behalf of the National Cotton Council, I should like to say that we greatly appreciate the opportunity to appear before you and the members of your subcommittee once again.

As you know, since its organization more than 20 years ago, the council has strongly supported the Federal and State programs of agricultural research and cotton research in particular. No segment of agriculture recognizes more clearly than the raw-cotton industry its basic dependence on research. Research is absolutely essential to the survival of the cotton industry.

Without the progress in cotton production efficiency to which Federal and State research programs have contributed so much, and without the new cotton processes and cotton products which both public and private research have helped to develop, the markets for cotton today, both here and abroad, would unquestionably be much smaller than they are today.

I think it is interesting to note that if we produced cotton the same way now as we did at the end of World War II, our production costs would be about 9 cents per pound higher than they are today. Just think of the markets in that kind of a situation, and what markets would have been lost to us—to rayon in this country and to both rayon and foreign cotton outside this country.

Also, just think of the markets we might have lost to the newer synthetics if research had not given us the new wash-wear finishes for cotton just in time. This one development has made a difference of about 800,000 bales annually in our domestic cotton markets.

We know what research has done for cotton, so it is not surprising that we are very strong supporters of research. But when we look at the problems which cotton faces at this moment—at the serious cost-price squeeze on the cotton farmer, at the shortcomings of our marketing evaluations and the many consequences of those failings, at the intensified competition from heavily research-supported synthetics and plastics, and at the trends in foreign cotton production—we know without question that a greatly increased effort in cotton research is more urgent than ever.

While we are particularly conscious of the acute needs of cotton for more research, we of course recognize that almost all of agriculture has very similar problems, and has the same urgent need for more research—research to get costs down and quality up—research to expand markets.

We are deeply concerned that agricultural research, the one positive force that unquestionably could work for the benefit of all agriculture, still gets less than 3 percent of the U.S. Department of Agriculture budget.

We want to reaffirm, as strongly as we can, our support of the long-range program which the cotton council, along with the other commodity and farm organizations have been advocating for several years.

You will remember that program called for an increase of $12 million each year for USDA research, and $6 million each year for research at the State experiment stations.

We are disappointed that this thing has not moved further and faster than it has. We are disappointed that the executive branch of the Government apparently has paid no attention to it, with the exception of the first year, insofar as the first year it was proposed back in fiscal 1957, I believe.

Since then there has been no recognition in the Federal budget of anything like these amounts. So we are concerned at the overall attention that research is getting, or the lack of attention.

Mr. Chairman, we are even more deeply concerned with an attitude toward agricultural research which has apparently gained a lot of popularity during the past couple of years, and here I am referring to this allout utilization, industrial use type of thing which we are hearing so much about and which so erroneously and so tragically encourages the belief that a great shift of research emphasis in that direction, the direction of industrial new uses, would somehow magically expand the markets for agricultural products. I want to say very seriously that nothing could be more damaging to sound agricultural research programs, and few things could be more damaging to agriculture itself, than for the Federal Government to go overboard on this visionary, pie-in-the-sky, allout utilization idea.

For more than 20 years our organization has devoted itself seriously to research and promotion as the sound routes to expanded markets for cotton. The council has not only strongly supported cotton research in the USDA and in the land-grant colleges, but at the same time has built a highly competent research staff of our own.

The council also supports research through grants and contracts, and within recent years, I am happy to say, our industry has been increasing these direct cash contributions to research.

I want to point out that about half of the council's effort is in utilization research, and about half in production and marketing research. When it comes to utilization research, we are not theorists. We practice utilization research. We are strong advocates of utilization research. At the same time, we know that some of our best opportunities to increase utilization of cotton depend on our ability to get costs down and quality up through production and marketing research.

In fact, the council's delegate membership for the past 2 years has given top priority to two of these cost and quality research needs; con-

trol of the boll weevil and adequate quality evaluation and preservation. We are here today to urge your committee to provide enough concentrated research effort on these two problems so get some answers and to get them quickly, as quickly as possible.

It is perfectly clear, from the emphasis in statements issued by the White House and by the Secretary, and from the provisions made in the President's budget this year, that any big, new swing to utilization research would have the immediate effect of cutting off any additional support for some of agriculture's most critical cost and quality needs.

As we see it, it seems pretty clear that even the present inadequate programs in these areas might be cut back still further, in order to provide these additional funds for utilization research. We are very much concerned about this problem.

Let me make it clear that we are delighted to see the provisions which the President's budget has made for increased utilization research on cotton. We badly need that increase—in fact, we need a great deal more.

But our industry cannot afford these increases if they are going to come at the expense of research on cotton's critical problems in production and in marketing. What I mean to say here is that we cannot afford either to cut back our present programs on cost and quality, or to agree that increases in utilization research, important and needed as they may be, will take the place of the greater effort needed in production and marketing research.

Mr. Chairman, if we do not have more, not less, research on cost and quality problems, we positively will not be able to expand cotton's industrial markets. As a matter of fact, we stand to lose more and more markets to intensely competitive-type industrial products.

I feel sure that no agricultural commodity can secure and hold industrial markets unless it is competitive in those markets both as to cost and quality. These are just simple facts of life that no amount of wishful thinking is going to budge one inch.

One of the main reasons why agricultural products have not captured larger industrial markets in the years past, and the reason we don't have more right now—in fact, the chief reason why they lost out in many cases to industrial products—is that they were not competitive in price and quality.

Now, Mr. Chairman, I don't want to labor this point any further. It is most important that other representatives of the cotton industry who are here give you their recommendations on these specific points of boll weevil and quality programs. We feel that your subcommittee, which did so much last year and the year before in getting these programs underway, getting them started, want to see them carried forward with enough determination to get the answers and get them soon. We strongly advocate such concentrated effort as a matter of what is really good research policy. But I also want to say, Mr. Chairman, that in this case we are concerned with a great deal more than just research policy. What we are really talking about is survival for this cotton industry.

It is my honest opinion that unless we have enough research to get our costs down, and ensure high quality, that the cotton industry's prospects of any long survival on anything like a satisfactory basis, will be poor indeed.

Mr. ANDERSEN. Mr. Blake, I am very much impressed by that sentence of yours, where you said:

> If we produced cotton the same way now as we did at the end of World War II our production costs would be about 9 cents per pound higher than they are today.

That, in itself, shows the value of the production and marketing research, does it not?

Mr. BLAKE. It absolutely does.

Mr. ANDERSEN. Better than anything we can say.

Mr. BLAKE. We would be out of business, Mr. Andersen, we would be out of business if our costs were 9 cents higher than they actually are.

Mr. ANDERSEN. That is self-evident.

Mr. BLAKE. Mr. Chairman, that completes my statement. We have these other gentlemen here.

Mr. WHITTEN. I think it might be well, Mr. Blake, if we proceed with the statements. Frequently, unless we follow that course, we fail to reach everyone.

Mr. BLAKE. Our next witness, gentlemen, is Mr. Robert R. Coker. Mr. Coker is a cotton broker and a seed breeder of South Carolina. He is an adviser to the board of directors of the National Cotton Council and has long been active in behalf of research work in many fields on cotton. Mr. Coker is going to make a statement to you with regard to this whole matter.

STATEMENT OF MR. ROBERT R. COKER

Mr. COKER. Mr. Chairman and gentlemen, I am Robert R. Coker, adviser to the board of directors of the National Cotton Council, of Hartsville, S.C. As you may recall, this is my third appearance on the same subject, and I want to express my appreciation for the courtesies shown to our group and to express our sincere thanks to you on this subject which we are here to discuss.

You may recall that this committee, at the behest of the chairman, requested the Department of Agriculture to make a very thorough study of the entire problem of the cotton boll weevil and to report back to the Department, and in turn to the committee, on the research needs.

This report here is what we consider to be really a handbook of, blueprint for the problem of controlling, eventually, perhaps, eradicating of the boll weevil. In my previous appearances, I have called attention to the tremendous loss that this insect has cost the South over a period of many years, and I will not review those facts, because I think, first, the committee are familiar with them; secondly, that it would take too much time.

But, briefly, this insect, and certainly our chairman knows about this from firsthand experience, and those of us in the Cotton Belt know it has wreaked tremendous havoc in the cotton areas of the South. The purpose of our appearance before the committee today is in support of the findings of this study group which, as I mentioned, was set up at the behest or request of this committee.

As you all well know, the committee has made it possible to have this fine research facility at State College, Miss., an appropriation of $1,100,000 for which the entire cotton industry is deeply grateful.

However, there are certain things which this study group and informed people in the industry believe can be done in the interim until this laboratory can become constructed and get into active operation. One of the most important of these is to again bring together a group of key scientists so that when the laboratory is completed, they will be ready to go into business, and will go without any further delay toward solving this No. 1 cotton production problem of the South.

It is generally agreed that the cotton boll weevil takes a toll of from 6 to 10 cents a pound in the areas in which it is prevalent, which is throughout all of the central and eastern belt, and recently we have received word through the Department of Agriculture that it is now in certain areas of Arizona, and caused, in 1959, rather severe damage there.

So we are here to support an appropriation to do some of these emergency jobs. One, Congressman Horan, is the question of insecticide residues, which you recognize as one of the most serious we face in agriculture today; and, because it is necessary to produce cotton through the use of large quantities of very powerful insecticides, one of the studies that we feel is urgently needed is to go into that phase of the problem.

Another area of research that we would like to see pushed along is that of insect resistors. The boll weevil has developed a resistance to some insecticides, and we have to use more and more powerful insectices all the time. If anything would happen that we would be denied the use of insecticides in our cotton program, large areas of the South simply could not continue to grow cotton.

Mr. WHITTEN. Mr. Coker, in that connection, that would be some side result, such as cattle running in the cottonfields, or things like that. You don't consider that there is any danger in the use of the finished cotton fiber, in goods?

Mr. HORAN. Cottonseed meal would be one.

Mr. COKER. My concern is not so much with what might actually happen that would be harmful to humans, but what regulatory agents might——

Mr. HORAN. You have a market for your cottonseed meal, don't you? That could very easily be out.

Mr. BLAKE. Oil; oil and meal.

Mr. HORAN. That is concentrated. One seed might pass tolerance, but if you put a whole pack of them in one package, that just concentrates it.

Mr. COKER. We don't know of any reason to suspect that—I don't, at least.

Mr. HORAN. The program looking for residue cures is certainly going on everywhere in America, and it should be.

Mr. COKER. Mr. Chairman, I have this presentation that I will leave with the secretary. It outlines or requests, which are simply a followup of this committee study and recommendations.

Briefly and to the point, the recommendations call for an appropriation of $675,000, of which $165,000 is for the employment of key scientists for this central cotton insect laboratory, so that work can go ahead to increase basic investigations on insecticides, resistance of boll weevil. That is something right on top of us, and one that we are concerned about.

We have had that trouble on our own farm, of having insects that resist certain of these organic compounds.

To increase basic investigations on insecticide resistance of boll weevil; to expand research on boll weevil reproduction, egg-laying, and growth; to increase studies on hibernation and winter survival; to provide additional needed greenhouses, headhouses, and cages.

The last item would require $375,000; and the total of all those mentioned comes to $675,000.

We are talking in terms of an insect that costs the South, each year, somewhere between $200 million and $300 million. We feel like that this, if there ever was such a program, can be justified on the basis of economy and of making cotton competitive. If we can produce it properly without the necessity of certain of the help we have had to have from the Government, we would like to do it.

That concludes my statement. I certainly thank you for the opportunity of appearing.

Mr. WHITTEN. I would just like to say this. I appreciate the appearance of you gentlemen. I think you make a very good case. Sometimes I feel that I would like to be able to come in and ask the subcommittee for what we really need, without regard to budgets and all that. Unfortunately, in my position I have the job of getting the best we can, and it is never enough to suit anybody, and it never meets the problem.

I do think I should say that we all live in a realistic world; and with the President of the United States in his speeches pointing out the terrific cost of agriculture, the Secretary of Agriculture pointing out the tremendous cost of agriculture, I think it has inflamed the American people against anything agricultural.

We have had testimony here today about Public Law 480. I agree with many people that it should be identified with the foreign aid program. Whether it should or should not, it is not so identified in the public mind or the President's speeches or the Secretary's speeches.

I wish to call also to your attention, and you folks pretty well represent a cross section of the American cotton industry, that a few weeks ago this committee tried as hard as it knew how, but failed to restore $675 million in capital impairment in the Commodity Credit Corporation, the very basis for the whole farm program. We lost it because of public feeling against agriculture, and the fact that the membership of Congress is looking for a place where they can tell the folks back home they have done something to cut this down.

I have recently taken a rather terrific beating in the press and in letters, copies which some Representatives have sent to me in connection with this reclassing. I have before me a statement by the General Accounting Office that the Commodity Credit Corporation paid out $166 million in rebates on this cotton. This report shows that some of these shippers received reclass and rebates, and then turned around and got a higher class and settlements under 480 shipments. There it is in black and white.

The point I make is, whether that $166 million is in rebate or in discounts, it is lost to the Commodity Credit Corporation, and it is in our way in trying to take care of adequate research and other things needed.

I want the record to make plain that these folks have represented that I didn't want the purchaser to know. Certainly, what he is buying he wants to buy at as low a figure as he can, and the seller wants as high a figure as he can get. I have seen the shippers and others insist that the cotton was overclassed to the American farmer, and the controversy has been going forever. They want to buy cheap, and the seller wants to sell high.

But I am convinced, in this reclassing area, that unless the Department makes a determination that reclass is needed, in which instance they would say there has been a change, the next year any discounts or rebates would be the basis for pushing it back on the farmer.

I have letters from many shippers, and telephone calls, saying that your big shippers are pushing this rebate or discount. And they have the warehouses in which much of this cotton is stored which gives them a tremendous advantage over other cotton merchants.

I am of the opinion that if it needs reclassing, let the Department determine that it is necessary; then reclass and put it in the catalog and let them all buy on equal terms.

You may ask, "Why am I wrought up about this?" It is because we are about to lose the farm program, because of the losses in CCC. It is just as real as the nose on your face. If you don't believe it, try to get out there and carry some of these things. I don't know any man better than Rhea Blake; I don't know any finer organization in any commodity than this one. But even with all our discussions, I notice here you keeping stressing that we need more research; we need more research.

Before us you have presented a study, and we asked for that study. What hasn't been developed here is that the studies that we had made in the field of soil conservation and all the rest, every land-grant college and every group, just put together what they all would like to have, and the Department brought it up in a bushel basket and dumped it, and refused to recommend a thing you have in there.

That doesn't have a single mark of approval by the Department of Agriculture.

Now, Mr. Coker, don't misunderstand me; I am trying to get you to understand what our situation is. We would like to give you everything in the world that you request, but—and I am a very realistic person in saying this—we can give it to you only to the point that we can show that you don't have enough people now to get the results.

Now, I want to do everything I can possibly do to help the cotton industry, because I think it is essential to the Nation; but now, going to these technicians, hiring them and paying them for a year to stand by while we build a laboratory is not what you meant in your statement, but that is what you said, as I understood it. My idea is that we haven't got that kind of money. We have too many problems. Lay your finger on them and know who you are going to have, and have them set. I think that will meet our needs. I hope we can do somethink in that area.

I hope we can express in these hearings what the Commodity Credit Corporation can do with its own funds to perhaps speed up research results. Before us we had testimony that the Budget has asked a lot of additional money for New Orleans. I went down to New Orleans, and went through the laboratory and was highly pleased. I asked

the Department: "Now, you tell me how having more people with the same equipment would bring more results than perhaps putting somebody at some other point in this line, from the farmer straight on through to the consumer."

We were deeply interested, our good friend from Minnesota, Mr. Marshall, and Mr. Andersen. They took time off and went down to Clemson with me. Other members of the committee were equally as interested, but circumstances didn't permit them to do it. In going through the Clemson laboratory, I got to wondering whether some of this effort to stop the gins from cleaning up cotton might be to keep it from being listed at a higher support cost, and costing the mills more money. I wondered if they would rather you left it alone; that they could clean it up much cheaper.

I hear the tensile strength of the cotton is reduced. My goodness, it would take a copper wire to stand the speed of some of these new machines people are putting in, trying to dodge labor costs. It makes me wonder if in this overall need there isn't a lot we should do.

I want to ask you two things. I want you to recognize that any money anybody gets out of Commodity Credit and out of the cotton industry makes it that much harder to get essential money. I have no quarrel with the man who can get a $15 rebate. If he can get it, why shouldn't he? Or if he can get it in discount, why not?

But, if he claims what he wants is to know what he is buying, why does he oppose my idea of reclassing? If you need it, lay it on the table and let the competitors look at it, too. That is sound marketing in my book.

Again, I wish you would go over the budget and advise this committee what rearranging might be done that would get better results than the way they have it here. This can be off the record; I am not trying to put anybody on the spot.

Secondly, I would like for you to spell out to me the places that are most vital.

Now, with everybody speaking about agriculture, and all the costs, and all the problems right now, I think you all are realistic enough to know that there is no way in the world for this committee to get any tremendous increases through the Appropriations Committee and through the Congress, at this time.

If I could snap my finger and do it, I would do it that quick, but if you could help us by advising us whether this money that is in the budget could be better used in other places, I would appreciate it. I am not trying to limit you.

Then I would like to have you give me a list of priorities, so we would have some yardstick to determine, if we cannot do it all, which one we would like to do first.

I have had to interrupt you, because circumstances require my presence on the floor. The cotton industry is doing a marvelous job, and I want to say I think the National Cotton Council has done a tremendous job. I think you are in good hands. I recognize you represent all seven segments, and the farmers want a good price, and a high class while the buyers want low class and rebates and refunds if they can get them.

I am never surprised when people want a "fair advantage." That is the kind of system we live in. But I have to sign the checks and they are no good after I sign them, if I can't get them through the

Appropriations Committee and the Congress. I have to do everything I can to see that there is no waste in it, if I can do so.

I hope that the subcommittee will go along with me, and give some thought to calling on Commodity Credit Corporation, with this tremendous investment in cotton and with its interest in getting as much out of resale as it can, to perhaps use Commodity Credit Corporation funds for some of this research.

I don't know that we would try to set the money figure, but I do hope that we could write a directive telling them to explore this need. If we can have pinpointed to us where the weak links are, from the field to the finished goods, what ones we are touching and what ones we are missing, it would help us in writing something that would mean something.

The American Nation has a great interest in defense. The public wants to judge defense by how much we spend. A good many of our friends want to judge research by how much we spend. The question is: What are we spending, and what are we doing with it, and how much results are we getting, and what results would we get if we did this or that or the other?

We are on your side. We have to take whatever we do and prove that we are sound in it, or we lose it.

Now, if you could give a little thought to that—not right now, but in the next week or so—I would be glad to meet with you, or would be glad to have any correspondence that would help us match your desires and your needs with whatever we may find someway to handle.

Mr. NATCHER. Mr. Chairman, would you yield to me at that point? I would like to say to you gentlemen of the National Cotton Council, that all of you ought to be proud of our chairman, Mr. Whitten, not only due to the fact that he has at all times, since I have been a Member of Congress, attempted to see that the interests of cotton is protected, but also that the interests of all other agricultural commodities are protected. I say this to you here and I have made the same remarks on the House floor.

Now, Mr. Chairman, with your permission I would like to go off the record.

Mr. MARSHALL. Thank you, Mr. Coker.

(Resolution submitted by Mr. Coker follows:)

RESOLUTION ADOPTED BY SOUTHERN GOVERNORS' CONFERENCE, ASHEVILLE, N.C., OCTOBER 14, 1959

V. COTTON BOLL WEEVIL

Whereas the cotton boll weevil has been a major handicap to efficient cotton production in the historic cotton-producing areas for many years; and

Whereas this insect has cost the South an estimated $8 to $10 billion in reduced cotton yields, lowered grades, damaged lint and seed, and poisoning costs; and

Whereas totally inadequate public research funds and research effort have been devoted in the past to seeking solutions to this problem; and

Whereas the cottongrowers of the areas affected by the boll weevil are fighting a desperate battle for economic survival because of excessive production costs and competition from both synthetic fibers and from other cotton-producing areas; and

Whereas scientists of the U.S. Department of Agriculture have conducted a survey of the boll weevil problem, and made definite recommendations for a research program aimed at seeking full and adequate solutions; and

Whereas Federal funds made available by the recent Congress, while substantially increased, are still inadequate for fully attacking the problem: Now, therefore, be it

Resolved, That we, the southern Governors in conference assembled, do hereby urge the U.S. Department of Agriculture to cause to be included in its 1960 budget request sufficient funds for carrying out an adequate research program; and be it further

Resolved, That the U.S. Congress be urged to approve such additional research funds when request is submitted by the U.S. Department of Agriculture; and be it further

Resolved, That notification of this action and a copy of this resolution be delivered by the secretary of this conference to the President of the United States, the Secretary of Agriculture, the chairman of the U.S. Senate Committee on Agriculture, the chairman of the U.S. Senate Committee on Appropriations, the chairman of the U.S. House of Representatives Committee on Agriculture, the chairman of the U.S. House of Representatives Committee on Appropriations, and the president of the National Cotton Council.

Mr. BLAKE. Mr. Chairman, I would like to say to Mr. Natcher that Frank Welsh, dean of agriculture in his State, is a very close personal friend of mine, and a very close associate of all of us in the cotton council. We discussed this tobacco thing just a few weeks ago, and I can assure you that we agree completely with the rightness of your cause. I mean, it is so ridiculous, if this research thing was such an expensive thing, if it cost some fabulous sum of money, like other things; but what are we talking about here? A few hundred thousand dollars here, or a few million dollars there, compared with billions that are being thrown around in other places. Why it is that this Government, in the executive branch and in the Bureau of the Budget, takes the attitude that they take, that they have got to pinch down and pinch down to the last drop of blood out of this research thing, I don't understand. It is beyond me; beyond my comprehension.

They could take a small fraction of what we are spending on many of these agricultural programs; Mr. Chairman, they could take a small fraction of it and do a sure enough, honest-to-goodness, dynamic, across-the-board job on every agricultural commodity that needs something done on it.

But, for some strange reason, if you get a dollar for research, it is in a different category than if you get $100 for something else. I don't understand the attitude. I think the most shortsighted thing with regard to our entire agricultural program, is this pinch penny attitude that is actually costing this country no telling how much money.

Excuse me, sir.

Mr. NATCHER. I want to apologize to my chairman for taking up all the time that I took up, but I appreciate the opportunity.

Mr. MARSHALL. It's perfectly all right.

Mr. BLAKE. The next witness is James D. Hays, member of the board of directors, National Cotton Council, a producer, from Huntsville, Ala. He is the chairman of our production and marketing committee in cotton.

Mr. MARSHALL. We will be glad to hear from you, Mr. Hays.

STATEMENT OF MR. JAMES D. HAYS

Mr. HAYS. Mr. Chairman and members of the committee, my name is James D. Hays. I am essentially a cotton farmer, from Huntsville, Ala., and have served a number of years as vice president of the Alabama Bureau Federation, and also a member of, and one of the directors of, the National Cotton Council.

In addition, I serve as the chairman of the production and marketing committee, one of which I feel is one of the most important of our committees, since its function is to deal primarily with the production and marketing phase of the cotton industry.

I come here today to appear before this committee to testify as to the extreme importance to cotton farmers of research on cost reduction and quality improvement. These matters are absolutely vital to me, and to other cotton farmers who cannot possibly stay in business without a positive program to halt a spiral of rising costs and prices, reduced markets, further restrictions on production, and consequent still higher costs.

Perhaps we cotton producers in Alabama are especially sensitive to the cost-quality problem we face in growing cotton. Right in our own State we have the big Courtaulds plant, capable of producing almost as much rayon as the cotton we farmers have been growing recently. And just a few miles from me, in Decatur, the Chemstrand Corp. can now turn out the equivalent of about another 100,000 bales of cotton in its noncellulosic fiber, Acrilan.

We are glad to have these firms located in our State, of course. We have been greatly impressed by the high caliber of their research people and I might say that both firms have tremendous research operations.

But I am sure you can understand that we farmers are not very happy about having that research pointed right at our throats—about knowing that it is purely and simply aimed at putting us out of business.

Mr. Chairman, I hope we are not going to have to sit by and watch our markets being taken over. There is no reason for this to happen. We know what is needed to be competitive. We know the threat to cotton is in research on synthetics and we know just as clearly the answer is in more research on cotton—research to get our costs down and to keep our quality high.

I certainly want to endorse what Rhea Blake has said about the great importance of the cost reductions we have already had, through research and improved technology. Without those savings I am sure that many producers in my area would already have given up. But we are still very, very hard pressed by our rising costs on the one hand, and our need to be competitive with Courtaulds, Chemstrand, and the like on the other hand.

How can I cut my costs? The most obvious place for me and other cotton farmers in Alabama, and, in fact, a large part of the Cotton Belt, is where my costs and losses are greatest. What Mr. Coker has said about the boll weevil certainly applies to my State. I expect the cost of controlling that one insect, and the losses in yield and quality to it, must average about 10 cents per pound in Alabama.

With that cost staring us in the face year in and year out, can you doubt that we are fired up about the prospect of really going after the boll weevil with a program that could wipe it out, or at least greatly reduce its depredations and our costs.

The laboratory which the Congress approved last year, a followup of the study your committee called for, Mr. Chairman, was truly heartening news to the cotton producers. We are most grateful that finally the full force of science and research will be brought to bear on the weevil. We don't think it will fail.

Our only concern is that the program you approved last year not be delayed in any way in its full and prompt implementation. Everything that can be done now should be done. We urge the full and immediate use of every available scientist and laboratory, and the employment of the director and other key scientists for the central cotton insect laboratory at Mississippi State.

We were astonished and dismayed to learn that the President's budget contained no funds for taking these steps to prevent delay in the program, and we imagine you share our feeling.

The whole problem of controlling the boll weevil and other cotton insects seems to be getting rapidly worse. That's because some of the bugs are becoming immune to the poisons we use, or at least to some of our best poisons.

Then, on top of that, there is a great deal more concern being expressed about the residues the insecticides may leave—on their effects on foodstuffs and on wildlife. Unless we can really beat these insects now, before it's too late, they may likely beat us.

Therefore, we urge you, as earnestly as we can, to see that nothing delays the development of the full program on the boll weevil and other cotton insects.

Now, may I say just a few words about the cotton quality, about the importance of measuring the inherent quality of our fiber, of improving that quality still further, and, as an essential to both of these objectives, of measuring quality properly.

We cotton producers today, to state the situation bluntly, are completely baffled by the cotton quality situation. We know how important quality is. We do everything we can to produce high-quality cotton. Certainly the gins are helping us to turn out high-grade cotton. Yet our consumers, the mills, tell us that the real value of our cotton has, in many cases, actually gone down.

I know that you are going to hear about this problem from several other witnesses. I am sure you recognize its seriousness, because you authorized some very important additional research in this area last year; but I would just like to quote for you a recent communica- from the International Federation of Cotton and Allied Textile Industries, the organization of cotton spinners in Europe:

> One cotton spinning mill in Europe, which, for many years, has regularly used the same varieties of American cotton, points out that in recent years there has been a distinct deterioration in quality. The mill states that the yarns which they spin from these varieties are no longer as clean as they used to be 10 years ago.
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> This same mill operates an elaborate system of routine spinning tests, under which samples of every consignment of bales arriving at the mill are tested. Part of the yarn spun in these tests is broken for measuring its strength, and part is knitted into a piece of knitted cloth. The cleanliness of this piece of knitted cloth is compared with a set of standards running from A to E.
>
> The mill specializes in high-grade yarns used for hosiery and underwear. Some years ago exotic and American cottons of the Good Middling type were used for the spinning of these yarns. The tests always showed a degree of cleanliness of A, A−, or B+. Recently the mill was forced to abandon American cotton and to use exotics exclusively, as only these varieties continue to give cleanliness ranging from A to B+. American cottons, although still classed as Good Middling or Strict Good Middling, never give a degree of cleanliness better than C.
>
> The mill in question is of the opinion that their experience indicates how modern harvesting and ginning methods are affecting the quality of American cotton.

Let me point out emphatically that the situation this European mill has encountered is not general. Most of our cotton is better than ever. But enough is being damaged so that our whole output may be condemned unjustly. American cotton, which has enjoyed an outstanding reputation for quality in world markets, can lose that reputation very rapidly unless something is done promptly.

Here is a booklet on quality that I am sure you will be interested in. It is entitled "Fine Natural Quality—U.S. Cotton's Biggest Asset—It Must Be Protected."

Some 30,000 of these have been distributed throughout the industry, to gins, producers, extension workers, the colleges, and a host of industry organizations. The Cotton Council is following it up with a movie this year that will be used widely throughout the Cotton Belt, on TV and in many group meetings.

In other words, we are dealing with a very, very serious matter, one which the entire industry is trying its best to help within reasonable bounds until we can get the real answer.

How can we get the answer? This booklet itself points out that the ultimate solution, the only real solution, has got to come from research. Until we grow, harvest, gin, and market cotton on the basis of its true use value, all our efforts in quality preservation and quality improvement will be seriously hamstrung.

Gentlemen, we haven't forgotten what this committee did for us on this important quality matter last year. We don't want to be in the position of the man who said, "Yes, but what have you done for us lately?" We think you fully recognize the vital nature of this problem, and that you will want to see everything possible done to get the answer.

A special cotton industry committee on this particular subject, cotton quality evaluation, has prepared a summary of the specific research that will be needed to resolve the quality problem.

I would like to have this put in the record, if I may.

Let me add that the total funds needed to get this job done might save many, many times that amount for the Government itself in the operation of Commodity Credit Corporation, which almost certainly will tend to build up very large losses under our present marketing procedures. But the really important, vital consideration is that this program is clearly essential to the health of the cotton industry and to all of us who are trying to grow cotton that will serve our customers' needs.

I should like to have the privilege of commenting briefly and informally, Mr. Chairman, as to some thoughts I have in mind on two or three other bits of information to supplement what I have already stated.

Let me say in the beginning that I am fully conscious of the tremendous job this committee has to face, and I am in sympathy with you, and I would be the first to say that I do not qualify to sit on such a committee. Nevertheless, I do feel I am qualified to summarize and to evaluate some of the problems that we in the cotton industry are faced with. It is in that light that I appear before you today, to emphasize those points I believe to be of tremendous importance to us.

As chairman of the council's production and marketing committee, I believe I am in a responsible position and a position in which I am in constant contact with some of these problems that appear to be almost

insoluble. Certainly it is no news to this committee to say that we as farmers are faced, of course, with this problem of rising costs, and continual squeezes of cost of production against the price that we sell our commodity for. It is often very frustrating in trying to determine what our proper course should be.

I want to say that I am a firm believer in the principle and theory of research and believe it will offer large returns ultimately. I don't want to appear in the vein of taking up the time of this committee, or wasting the time of the other members here who are with me, to testify; but I do wish to make an example or two.

I want to digress from the subject just a little bit in doing so. I would like to call the attention of the members of this committee to the fine progress we made in this country in the field of communications. The electronics industry has perfected so many gadgets—I call them—that it enables me almost at will to pick up a telephone and contact anybody I want to, almost anywhere in the world, at will—almost.

In the marvel of television and those other electronic instruments we have at our command today, we have another illustration. Of course, basic research has furnished the idea for presenting these things to our society. In the field of transportation, of course, our progress has been equally as large.

Today, the automobile, the airplane, and the jetplane are meeting with such public acceptance as has never before been seen. Here again I say the basic research has been the fundamental idea that has allowed these things to be developed.

One other example: I might say, though, and of course I could elaborate at length, because I come from Huntsville, Ala., where is located an activity in space and rockets, and I could comment at length on my opinions about what basic research can produce; but, Mr. Chairman, if you will permit me to say so, I arrived a good many years ago at the thesis that anything was possible, nothing is impossible, anything within the limits of man's vision certainly can be accomplished. It is simply a matter of application, guidance, and proper funds.

Another example, and this will be the last, of what research can do. In my own State there, one of the large corporations has a relatively new program. It is not new particularly to us, but, this plant, which has been founded on basic research, is able to produce annually there in Alabama almost as many bales of rayon as we produce of cotton. Chemstrand Corp., 20 miles from my home, produces the equivalent of about 100,000 bales of noncellulose Acrilan.

We have to have these people there with us, and we are glad to know that they have fine and adequare research facilities available to them, but it is not a very comforting thought when you know that their avowed purpose, and their principal aim in business, is simply to put a knife to our throat as cotton producers, and take as many of our markets as they can.

So I have come to the conclusion that our principal tool that we can use in conquering our problems in this particular area is research and research alone.

I want to put before this committee this afternoon two of our principal areas that I think we need emphasis on. They have already been mentioned to you in the excellent presentation Mr. Coker gave to you.

One, in the matter of boll weevil control, and other quality preservation of our lint cotton. These are really two important areas. I will not elaborate much, except to say that this is not a small problem, because it involves $150 million damage a year, through the boll weevil. That is not peanuts in Alabama, in my own State, where about 10 cents a pound is the cost of the boll weevil control program, plus the loss of production and estimated damage to the crop, per pound of cotton produced.

In terms of our economy, that is a right considerable handicap to support Chemstreand, or anybody else that happens to come along and get into business.

Then, of course, there are these problems of resistance, which Mr. Coker mentioned, and the fact that we apparently are spreading the area of infestation for weevils, not only in the Deep South, the Southeast, but practically all across the Cotton Belt as well.

Now certainly I am quite aware of the tremendous work that this committee and Congress has done along this line. We are more than appreciative of the fine contribution you have already made, and I refer specifically to the $1.1 million you appropriated last year for Central Laboratory in Mississippi.

But, gentlemen, the fact is, if I have my facts correct, there is not a single penny for us to begin to get this job underway, and as the chairman so forcibly pointed out here, there is continual demand for people, but certainly if we are to take advantage of this fine facility there, then we must begin to think objectively about staffing it. We have got to have organizers, administrators, and think in terms of getting this thing implemented at the very earliest possible time.

I think that is what you intended when you appropriated the money, and we want to help you, if possible, to carry out your intentions.

Briefly, as I hurry along, I want to mention the other point, the second of two points, the one of quality. Frankly, as a cotton producer, I am a little bit baffled. We have striven, as well as we might, for a number of years to increase our quality in cotton, and we have had the absolute support of the breeders, Mr. Coker, the ginners, and a great many people across the industry. Yet my mill friends come up and say that we are not delivering a cotton that is as good in quality as we have had in the past.

Well, I am quite sure there is sufficient evidence to be presented to support the fact that there is something wrong, and I think that before we get deeper in trouble, it is incumbent upon members of the industry who are interested in it to try to exert every effort we can in order to right it.

I would like to read from this document one example here in regard to this trouble. And I refer to the statement by the International Federation of Cotton & Allied Textile Industries, the organization of cotton spinners, which corresponds to our cotton manufacturers:

> One cotton spinning mill in Europe, which for many years has regularly used the same varieties of American cotton, points out that in recent years there has been a distinct deterioration in quality. The mill states that the yarns which they spin from these varieties are no longer as clean as they used to be 10 years ago.
>
> This same mill operates an elaborate system of routine spinning tests, under which samples of every consignment of bales arriving at the mill are tested. Part of the yarn spun in these tests is broken for measuring its strength, and part is knitted into a piece of knitted cloth. The cleanliness of this piece of knitted cloth is compared with a set of standards running from A to E.

The mill specializes in high-grade yarns used for hosiery and underwear. Some years ago exotic and American cottons of the good Middling type were used for the spinning of these yarns. The tests always showed a degree of cleanliness of A, A minus, or B plus. Recently the mill was forced to abandon American cotton and to use exotics exclusively, as only these varieties continue to give cleanliness ranging from A to B plus. American cottons, although still classed as Good Middling or Strict Good Middling, never give a degree of cleanliness better than C.

The mill in question is of the opinion that their experience indicates how modern harvesting and ginning methods are affecting the quality of American cotton.

I want to say to you that this is a condition that represents the problem all the way across the belt, but it is not an isolated example, not at all unusual. There are similar occurrences in other mills. So there is something happening to quality between the time it leaves the farmers' hands and the time it arrives at the mill. There is something happening to the quality.

So here again I say it is necessary for us to call on research. That is the only answer I can come up with, to determine what the real use value of the cotton is.

I do believe that when we arrive at a recognized true set of standards, true use value, then I believe that this is an area in which we can all understand each other and talk to each other on equal terms.

In conclusion, I would like to say that in our production and marketing committee we have several committees at work. I have some information here prepared by an industrywide committee, and also one of our special committees on cotton quality evaluation. I would like to present this material to be included in the record with my statement. Here are complete copies.

Mr. MARSHALL. We will be glad to have them.

(The matter referred to has been filed with the committee.)

Mr. HAYS. May I ask, Mr. Chairman, that this little folder, entitled "Fine, Natural Quality, U.S. Cotton's Biggest Asset—It Must Be Protected," be included in the record also?

Mr. MARSHALL. That I do not believe we will be able to duplicate.

Mr. HAYS. That does a better job of presenting this matter than I have done. I appreciate the opportunity to appear before your committee. I appreciate your attention and kindness in letting me do so.

Mr. MARSHALL. Mr. Hays, you gave a very fine statement, very interesting.

STATEMENT OF MR. ROY FORKNER

Mr. BLAKE. Mr. Chairman, our next witness is Mr. Roy Forkner, who is the ginner delegate in the National Cotton Council, from Lubbock, Tex. He is one of Mr. Mahon's constituents.

Mr. MARSHALL. We are glad to hear from you, Mr. Forkner. As you know, we have a very high regard for your Congressman.

Mr. FORKNER. Mr. Chairman, I am very glad to hear you say that, because we, also, hold Mr. Mahon in high esteem.

Mr. Chairman, my name is Roy Forkner. I am a ginner at Lubbock, Tex., and a ginner delegate to the National Cotton Council.

I am a past president of the Plains Ginners Association and the Texas Ginners Association. I am also a cotton producer and secretary-treasurer of the Plains Cotton Growers, Inc.

For the purpose of this hearing, I am representing the ginning industry on the National Cotton Council team here today.

I have been active in the cotton industry for many years, but I cannot recall any time when there has been so much confusion and doubt regarding cotton quality and its evaluation.

As you well know, the ginner is the first processor of the producer's cotton, and it is his responsibility, both to the farmer and himself, to provide the highest possible income to the farmer from the seed cotton delivered to him, regardless of the condition of that seed cotton.

The primary quality factors affecting this income are grade, staple, and preparation or smoothness. Secondary factors affecting income are bale weights, gin outturn, minimum of two-sided bales, and correct sampling.

These items depend upon many things, but the principal ones are—

1. Condition of seed cotton as to uniformity, moisture content, foreign matter, which are, of course, dependent largely upon harvesting practices.

2. Gin equipment available, its condition, and its operation.

Although instrument testing for cotton quality has now advanced substantially in many phases of the industry, the grade and staple are still the only quality factors shown on the Smith-Doxey class cards, and the only attributes upon which price is based in Government programs.

Very much the same is also true in the cotton trade, although there are some differentials in certain circles for micronaire values, and there is an indirect effect of Pressley strength on price, through area or variety preference. Regardless of these, however, grade and staple are the ginner's criteria of value, and, much as he wants to cooperate with spinners in avoiding any possible hidden fiber damage, he must do all in his power to get the highest grade and preserve the longest staple he can, else he will lose income for his producers, and lose customers for himself.

He has been told many times that modern methods of drying, cleaning, and ginning cotton cause serious fiber damage, which is hurting cotton's competitive position because of greater costs and lower quality at the mill level. He is indeed in a quandary. He is told to preserve quality, but the measurement or evaluation of quality is vague.

Up to now he was told that high-grade and long-staple were the chief quality elements; now he is told that other factors are more important. The good and evil are all mixed up, like Dr. Jekyll and Mr. Hyde.

He certainly needs factual information, unbiased, and not colored by selfish interests of any segment of the industry. This can probably be done only through publicly supported research.

The answers are not easy to come by. Inherent fiber quality begins with the seed, and proceeds through all the practices of production, influenced tremendously by the weather. Preservation of this quality is dependent upon harvesting and ginning, again greatly influenced by the weather.

A little multiplication problem makes it immediately obvious: that variety times production practices times harvesting methods times ginning conditions times weather vagaries equals a limitless combination of conditions with which the ginner must cope.

While we have had these problems for years, they are greatly aggravated today by the cost-price squeeze in agriculture, and by the

greatly changed condition of seed cotton through machine harvesting. We feel that both industry and Government have responsibilities to solve these problems: industry, because cotton is our product; and Government, because—

1. The USDA has responsibility for classing most of the crop for Smith-Doxey and other programs, for setting standards, and for establishing marketing regulations of many kinds.

2. The CCC is the largest purchasing and loan agent, and has the responsibility of protecting itself.

3. Government research is neutral, and results from such public research is more readily acceptable by the industry as a whole than if developments come from a single segment.

For these and other reasons brought out by the different witnesses, we, the ginners, respectfully urge this committee to recommend funds for the following types of research in the amounts suggested by the National Cotton Council:

1. Fiber testing instrument development. Evaluating cotton quality by instruments is quite practical, as proved by the almost universal use of the Micronaire for fineness and maturity.

In the early days of cotton fiber technology it required about 4 hours to make one fineness test, now it is done in seconds. In this scientific age it would be folly to say that what was done for one quality attribute cannot be done for others.

Cotton producers and ginners are most anxious to see a crash program to develop instruments to supplement manual classing and perhaps eventually replace it altogether, as is done for competing fibers. Competent classers are getting scarce, and dissatisfaction with Smith-Doxey classing is increasing rapidly.

2. Basic fiber research and analysis of fiber properties. Much is being said about fiber damage in harvesting and ginning in connection with the testimony on the need for expanded pilot plant spinning research. We certainly agree 100 percent with this testimony, but we would also like to emphasize the need for basic fiber research to measure all fiber properties which have a bearing on spinning and product quality.

We must take not only the negative approach concerning damage, but also the positive approach of identifying and cataloging all fiber properties to channel them down the proper utilization courses. These basic properties must first be understood before one can say positively if they have been damaged. Some fibers would not spin well into certain yarns if they were pulled off the seed gently by hand, and would not be suitable for certain products if they were treated ever so gently. This job alone is tremendous, and cannot really be separated entirely from studies of fiber damage.

3. Mechanical stripper research. Nearly 2 million bales of cotton are harvested annually by strippers. There is no question that this is by far the most economical method of harvesting, and that this method will be pursued even further as the supply of hand labor is diminished and the cost increased. Increased wages and prerequisites for hand labor are forcing him to turn rapidly to mechanical harvesting. Stripper harvesting is relatively rough today, but research could improve these conditions.

Furthermore, the mixture of hand picking, hand snapping, spindle picking, and stripper harvest works a real hardship on gins. The

ginner must take each customer in his proper turn, and it is impossible to change ginning conditions back and forth to get the optimum set for each type of harvested cotton.

Improved stripper methods would have the effect, not only of improving seed cotton and lint quality per se, but would cause all cotton in a given area to be harvested by closely akin methods, so that gin equipment could be set more nearly applicable to all cotton. It is certainly impossible now.

4. Gin stand research. The recent growth of mechanical harvesting has shortened the ginning season into a few months. Pressure is tremendous on gins, so efforts have been made to increase the size of gin stands, speeds of shafts, and diameters of saws to increase the ginning rate. All of these items need to be analyzed to determine if increased damage is resulting.

I appreciate very much the opportunity to appear before this committee today, and in the name of the ginning segment of the cotton industry, we will certainly appreciate any favorable action which you gentlemen may take toward providing the funds so badly needed in these fields of cotton research. I pledge my personal and organizational cooperation toward helping in any way we can to realize these goals.

Thank you.

Mr. MARSHALL. Thank you, Mr. Forkner, for a very fine statement.

Mr. BLAKE. Mr. Chairman, our next witness is Mr. George Pfeiffenberger, who is executive vice president of the Plains Cotton Growers, Inc., of Lubbock, Tex., another one of Mr. Mahon's constituents.

Mr. MARSHALL. We will be pleased to hear from you at this time.

STATEMENT OF MR. GEORGE PFEIFFENBERGER

Mr. PFEIFFENBERGER. Mr. Chairman, I am going to be very brief, because I appeared before this committee last year and presented our story, from the standpoint of the quality research that we felt was needed. I think that much of that statement would still apply to this year.

Mr. Blake wasn't around this morning when we announced that for March 17, St. Patrick's Day, my name was O'Pfeiffenberger instead of Pfeiffenberger.

Our organization represents cotton producers, ginners, and the allied cotton industry on the High Plains of Texas.

One of the primary purposes of the Plains Cotton Growers is to conduct and encourage research of all kinds necessary to improve the quality of cotton to strengthen its competitive position and maintain reasonable income for cotton producers.

We are, therefore, keenly interested in research to develop methods for complete and accurate evaluation of true cotton quality.

Purpose and functions of a pilot plant: Adequate evaluation of cotton quality requires not only manual classing and instrumental testing but also spinning tests on a pilot plant scale. Grades, staples, fiber measurements, and small-scale spinning tests will permit fairly satisfactory predictions as to yarn qualities, but there is very little information to be gleaned from such tests with respect to spinnability of cotton.

For these reasons, it is important that pilot plant spinning be an integral part of cotton quality research. This concept has been accepted by you gentlemen and by USDA, as evidenced by the establishment last year of the USDA pilot plant at Clemson College. This plant, however, is already booked for 18 months to 2 years ahead, and is not adequate to meet the immediate problems.

As examples of problems crying for solution, we offer the following:

1. Spinning tests are essential in evaluating the results of breeding and production research, such as the performance of different varieties or strains and the effect of various cultivation, irrigation, and fertilization practices.

2. Radical changes in cotton harvesting and ginning methods involving mechanization, seed cotton driers, and lint cleaners have changed the traditional concept of quality to the extent that the usual methods of cotton classing and fiber measurements do not tell the true story of spinability. Experience shows that only a large spinning test will give dependable answers.

3. Pilot plants also are valuable in determining specific uses for various types of cotton and for formulating blends. Data from pilot spinning tests are used constantly in education through quality recommendations to farmers and ginners, and to provide technical advice and consultation to cotton merchants and mills.

4. There is at present general belief that universal quality standards do not really reflect true spinning values. Pilot plants are indispensable to properly evaluate the Government staple types and grade standards, for both leaf and color, and to relate these standards to fair and equitable differentials in the market and the loan schedules. USDA and Texas Tech College are now planning a contract research project to make a thorough study of the effect of color on spinning performance.

5. The pilot plant is an excellent tool to study and improve spinning machinery and methods themselves, and to lead the way for the spinner to meet changing conditions.

6. Pilot plants can be used to provide yarns and fabrics under controlled conditions for bleaching and finishing tests, as well as other test material, without the costly and complicated interruption of mill production to manufacture relatively small specialized lots.

Existing pilot plant facilities: The Texas Cotton Research Committee and Texas Tech College have had an established research laboratory and pilot plant facilities at Tech for some years, and have operated on many of the problems just listed.

However, because of the urgency of the problems and the repeated requests from the industry for adequate research facilities, Texas Tech, with a substantial grant from the Plains Cotton Growers, modernized and enlarged the pilot plant and made it available to Government and industry for contract projects.

The rapid acceptance of the Tech laboratory by the Plains Cotton Growers and other producer groups, and the USDA, as soon as it was offered to the public, is an indication of a real need for this pilot plant service to the U.S. cotton industry. The Tech facilities are available for individual research programs on a contract fee basis.

Recently the USDA has opened a pilot spinning plant at Clemson, S.C. The investments in these plants are large, and the problems are urgent. They should, therefore, be operated at fullest capacity.

As stated before, the Clemson laboratory is already booked up to 18 to 24 months ahead. It is certainly obvious that, in addition to the Clemson facilities, other available pilot plant operations should be fully utilized.

We urge, therefore, that the operation and contract funds recommended by the National Cotton Council be approved.

The plains Cotton Growers, Inc., pledges its sincere efforts and support to obtain these funds and stands ready to help in any way possible to cooperate in solving these very serious problems.

Favorable action by this committee will be sincerely appreciated, and we appreciate this opportunity to testify on the matter.

I request permission to file a written statement.

Mr. Chairman, in summary, I would like to offer a few remarks to just one phase of this field of research, and that is the need for expansion of pilot plant facilities, to carry on quality operations.

Mr. Forkner has covered many of the basic needs, why we need this so badly, and the arrangement is, I believe, that Mr. Fisher, in speaking for the mills, will cover a number of other technical features of it.

From my own experience, I was employed by a large cotton mill some years ago as their cotton research director. We operated a pilot plant at Lubbock, Tex., for nearly 8 years. I believe I can honestly say that from the standpoint of the economy of research and the cost of research, that a pilot plant comes about as near to producing practical results at low cost than anything that could be gotten into in the way of actually measuring and testing cotton.

I want to say that is not what you call, maybe, basic research, such as changing molecules and other things of that type, but it is research which can be put into practical use in a very short time, and I think that is the position we find ourselves in. We certainly need to get some practical results in a very short time, otherwise we are going to lose more and more of these markets because of the lack of a real good measurement of cotton quality, which gives spinning quality value.

Mr. MARSHALL. We visited the pilot plant at Clemson, the members of this subcommittee did, and we became acquainted with some of the problems there.

Mr. PFEIFFENBERGER. I remember that. We were impressed.

Mr. MARSHALL. This committee and the people in the Department of Agriculture, I think, have definitely accepted the concept or the value of pilot spinning research, in view of the fact that you provided funds to get the Clemson Laboratory into shape and to operating on our problem. There are a number of things that need study.

I think No. 1 is this matter of proper evaluation of quality and damage which may be occurring under certain ginning and harvesting conditions. Various other things can be done in a pilot plant. It is not definitely limited to that thing. It has a very wide range of use.

I am not here today to make any suggestion at all, or ask for any appropriations of any kind for the Texas group. In Texas, the State of Texas has a textile school, at Texas Tech College. We have a separate organization called the Texas Cotton Research Committee. Then we have our own organization, the Plains Cotton Growers, which is very much interested in research, but we are confined naturally to research in our own area problems, and not spread clear across the belt.

We have a pilot plant at Texas Tech College, which is almost a duplicate of the one at Clemson. It is about the same size. It has

modern machinery and it has been operating very much the same way. We are utilizing that pilot plant as the tool for the Plains Cotton Growers to evaluate new breeds and strains of cotton for getting information to give educational material to the Extension Service, and in other publicity work, to try to teach the value of cotton quality, how to produce it, how to preserve it.

This pilot plant, as soon as it was put into modern condition and ready to run was utilized not only by the local people, but has also been utilized in some projects by the USDA and by cotton producer groups in other States, which I think indicates very clearly that there was a definite need for a pilot plant in addition to the one at Clemson, because, I understand, that one is pretty well loaded up for about 18 to 24 months. Yet, there are many crying problems which need immediate attention. So my particular interest here is to notify the committee that this pilot plant is in operation and that any funds that we are speaking of in this particular phase are funds to the Department of Agriculture for them to make use of these facilities out there, in addition to those at Clemson.

I think that the two pilot plants are pretty much in the same order, and that they work very closely together, and we can come out with results which will not take a great deal of time, and which will help to solve our problem—not several years from now, but right soon.

I believe that covers what I have to say.

My own background is strongly in pilot plant research, and I think that it can be proved a very practical tool for research, and we ought to get on with the job.

Thank you.

Mr. MARSHALL. Mr. Pfeiffenberger, we thank you for coming before us.

Mr. BLAKE. Mr. Chairman, we have one other witness, Mr. Arthur W. Fisher, who is a member of the production and marketing committee of the council, vice president of Cannon Mills, and represents the cotton spinners.

Mr. MARSHALL. Mr. Fisher, we shall be glad to hear from you.

STATEMENT OF MR. ARTHUR W. FISHER

Mr. FISHER. Mr. Chairman, my name is Arthur W. Fisher. I am vice president and cotton buyer for Cannon Mills Co., Kannapolis, N.C.

I am appearing here today on behalf of the American Cotton Manufacturers Institute, whose member mills constitute a large percentage of the cotton textile industry of the United States. The cotton textile industry, one of the six segments of the National Cotton Council, is vitally interested in the development of research facilities and tools that will make cotton a more competitive fiber, both in competition with man-made fibers domestically and in competition with foreign cottons abroad.

The true measure of the manufacturing quality of a bale of cotton is established by its performance in the mill. The quality of the goods it produces and the cost of this production, when properly evaluated, will establish beyond a shadow of a doubt the true value of cotton.

It is, however, impossible to successfully operate unless adequate knowledge of this value is obtained long before the cotton arrives at

the mill door. In order to maintain our traditionally efficient marketing system for cotton, each bale is valued in some fashion long before the time it is shipped to a mill.

The Department of Agriculture has been charged with the responsibility for maintaining standards against which cotton is to be valued. Inasmuch as vast quantities of cotton are classed against these standards in connection with the Government support program for cotton, these standards establish the value of the greater portion of the cotton crop in the United States.

In years gone by, these standards which are for grade and for staple length only served the cotton trade well. However, in recent years new developments in the production, harvesting, and ginning of cotton have come about quickly and created vast changes in the handling of cotton.

Mechanical harvesting, which has developed rapidly in recent years, has brought about a situation where a great deal of the cotton arriving at the cotton gins in the higher producing territories of the country contains much more leaf and trash than heretofore. To deal with this dirtier and more roughly harvested cotton, the capacities of the ginning plants were constantly increased by the addition of more beaters and cleaners, higher heats, and the addition of lint cleaners operating after the cotton was ginned.

These changes in production and ginning have made tremendous differences in the basic manufacturing qualities of cotton and, unfortunately, these differences are not measurable against the present cotton standards. In order to prepare the roughly harvested and often damp machine-picked cotton for ginning, higher and higher heats were used in the dryers. The combination of these high heats and the rapid drying of the cotton in the towers, followed up by the tremendous amount of cleaning applied to remove the trash, resulted all too often in brittle and broken fibers.

Combined with the lint cleaning, these new processes have in recent years produced more and more cotton which, when classed against the present standards, have the appearance of the higher grades which commanded the better loan values. However, the manufacturing quality of this cotton bore no resemblance to the ostensible grade.

The cotton classers' hand and eye, which have been used for years for the evaluation of cotton, could not detect the true nature of these quality changes. Various instruments which have been developed, such as the Pressley break test, the Micronaire, and the Fibrograph, are able to shed some light on these quality changes, but this equipment still does not tell the whole story and none of these processes are fast enough or accurate enough to give a proper and adequate evaluation of the true manufacturing quality of cotton.

Drastic variations in the manufacturing performance of seemingly identical cottons have plagued the mills in recent years until the problem has reached critical proportions. Inasmuch as cotton goes through a number of processes during the harvesting and ginning period the determination of the exact nature and extent of the damage to cotton is an exceedingly complex problem.

The first real step in recognizing and approaching this problem on a thoroughgoing basis was in the now well-known Joanna Test conducted several years ago under the direction and control of the Department of Agriculture.

This test illustrates the complexity and the difficulty encountered in making an adequate evaluation of various cottons. In this case 12 lots of cotton were harvested from one field and ginned under 12 different ginning conditions, 1 of the 12 being a basic control cotton which had received a minimum of heat and cleaning in the gin.

In order to properly evaluate these cottons, it was necessary to spin each lot of this cotton under controlled conditions and process the yarn into finished cloth so that the final evaluation could be made on the goods produced as they would move into the consumers' markets. This test took many weeks to perform and many more weeks to evaluate, once the results were obtained.

Although the Joanna Test provided a vast store of information which had previously been unobtainable, it did not begin to furnish all the information necessary to deal with the problem of cotton quality evaluation. The infinite number of variables involved in the production, harvesting, and ginning of cotton require a tremendous amount of testing so that the specific effect of each thing done to the cotton during these processes could be evaluated, the effect of it in dollars and cents in manufacturing costs obtained, and a method of measuring this damage developed.

Another tremendously important aspect of the Joanna Test was that the true measure of the value of the cottons ginned in various fashions could not be realized until the goods had been woven into cloth, finished and evaluated in their final state.

Since cotton is a natural fiber and, by its very nature, subject to wide variances, every one who has dealt with the production of yarns and cotton cloth is well aware that no one step in the manufacturing process can be depended upon to tell a true story.

We have all had experiences with cotton which performed with relative satisfaction in the spinning process, but caused excessive loom stoppages and defective goods during the weaving process. And we have all found, at one time or another, cottons which, although they appear to spin and weave satisfactorily, did not produce a satisfactory piece of cloth when the cloth was finally finished. For this reason, a true evaluation of the manufacturing quality of any cotton is going to require testing through the entire process into finished cloth.

With the tremendous number of different kinds of cotton produced in so many areas of this country, it is obvious that developing the necessary information to find new standards of measurement for the Department of Agriculture to properly assess the true value of cotton is going to require many lengthy, involved, and tedious tests.

According to the latest information I have, the pilot spinning facility at Clemson College is already booked for almost 2 years on tests of this type, and we have actually only scratched the surface of the tests that need to be performed.

In order to obtain adequate information on the manufacturing qualities of cottons produced with the revolutionary new techniques of harvesting and ginning in any reasonable length of time, the capacity of the pilot plant will have to be extended and the necessary facilities for weaving and finishing cloth will have to be provided.

Also, if the programs of the Department of Agriculture for the cotton producers are to ever achieve their ultimate goal of stabilizing his markets and providing him with an increasing use of his product,

the present outmoded and inadequate standards for cotton must be replaced with measurements which indicate the true manufacturing quality of the cotton, which is, ultimately, its only true worth. This can be done only when adequate research has been performed under the auspices of the Department to provide with scientific accuracy the information necessary to establish such measurements.

We respectfully urge this committee to include in its appropriations sufficient funds to carry out these objectives.

Mr. Chairman, in conclusion, I would like, then, to just point out a few pertinent points.

Mr. MARSHALL. We will be pleased for you to do so.

Mr. FISHER. We think that one of the first things to do is to determine the true value of cotton quality. That is absolutely necessary, because the quality of the goods that you make plus the cost of production determines its competitive value in the marketplace. That is where we have to compete; otherwise, we are lost.

Now, the Government standards, for years past, were a reasonably good measure for the spinning value of cotton. I would say that was so up to about 10 years ago. But that is no longer true. The change in the mechanical harvesting of cotton and the kind of ginning processes you have to go through now to clean that cotton up, does something to the cotton which is hard to measure.

A cotton classer who could do the work 10 years ago can't do very much. I used to pride myself 10 years ago that I could set up cotton according to the spinning value, but I will have to confess that with 40 years of this experience of selecting cotton for mills, I am at a loss now to do it; so it takes instruments along with that.

We handle over 450,000 bales of cotton a year now, going into various kinds of cotton products.

Well, when it comes to fine qualities of cotton, we do have to revert back to Pressley for the breaking strength, and to the Micronaire for the fineness, and to the Fibrograph for short fibers that might be in it. Those are tedious and slow, and we can only use them in some of the top work, the fine work, on account of the slowness of these instruments. Of course, we are badly in need of something that will do this job much faster.

Now, we have, many times, cotton that looks identical in value for grade and staple strength, many classers would classify it the same, but when you come to the manufacturing value of it, probably in the two that look absolutely alike to the individual in the normal way of classing cotton, there will be a $25 or $30 a bale difference in its value from a manufacturing standpoint.

I intended to bring two samples along just to show that any layman could tell that they were practically the same thing. While the one that has a 90,000 Pressley break and can be used in fine numbers and in fine print cloth and broadcloth, the other one of the same grade and same strength, as far as that measurement is concerned, is good for only coarse work.

That is the difference that is involved, when it comes down to evaluating this cotton for manufacturing purposes or for putting a price on it for any purpose.

Now we, of course, are greatly in need of instruments that will help us to do this measuring, and measure fast enough to be practical from an everyday standpoint.

It was in 1957 that we first started this mill test at Joanna. I think we referred to it last year when I had the privilege of appearing before you gentlemen, but I will just mention the fact that we went to Joanna and in 2 days they picked 48 bales of cotton out of the same field. Then they set that aside in twelve 4-bale lots, and the first lot they bypassed the moisture content as normal, and didn't do any more beating to it than necessary.

When this bale came through, the grade of it was Low Middling, inch and sixteenth.

Then, instead of going over all of the other lots, I will take the other extreme, another 4-bale lot was given the treatment of going through high heat, with all the different beaters, and by going through that and being cleaned up, it became Middling, but it was shorter. It was 1 inch.

Now, the one that was not brought in contact with all the cleaners, the overheat and all, the manufacturing cost on it was 4.4 cents less than the one that had all of the cleaning-up process. Furthermore, in the bale it was valued at six-tenths less than the Middling bale.

So, all told, the difference between the manufacturing cost and the value of the cotton was $50 a bale on that lot.

When you take cotton into the marketplace, when you are competing with all fibers, you know you haven't a chance when you lose that kind of value.

Now, furthermore, in that line, I brought two swatches of cotton along. This swatch was out of the Low Middling plus, inch and sixteenth cotton. That is print cloth. It was submitted to the trade in New York and was found entirely satisfactory. That is out of your Low Middling.

The other swatch, which came out of the high grade, was submitted in New York over the market and it was not satisfactory for the market; yet there is $50-a-bale difference in the cost of production of cotton going into these two items. You see, there is a wide area there. That must be bridged some way. We just cannot spot competing fibers in any such way like that and stay in the cotton business.

Producers cannot, or the mill cannot, or no one else can.

Then, you see, after this pilot test, it was a breakthrough, you might call it, because up to that time we had nothing for pilot testings; so, in view of the results, it was startling even to the Government, the Department of Agriculture, so that they were willing to find $125,000 somewhere from something else to start the pilot mill, that you went to see. There was a great deal learned there, but you have to go on through weaving and finishing to set up these final values which are established in the marketplace.

Mr. MARSHALL. Mr. Fisher, you brought these samples up here, but to me they look so comparable that I couldn't detect any difference in looking at them. Would it have to be put on some special test to be able to determine the difference?

Mr. FISHER. The men in New York that offer the goods can tell. You see, the Department of Agriculture and the council took the cloth up to the market in New York.

Mr. MARSHALL. As I said, we are kind of crowded for time, but I would like for you to tell me what the difference is, if I could understand it.

Mr. HORAN. I couldn't detect any.

Mr. FISHER. You naturally couldn't. This has more neps and irregular places in it. It shows, don't you see? When you bring this cotton in contact with 32 duff beaters before you get it into the gin, then you gin it and put it through three lint cleaners, you have made so many neps in it.

Furthermore, these neps follow. We have had the case where we made some fine goods, and we were putting in Better than Middling cotton and we said that we will improve that goods a little bit; we will put in Strict Middling, just a grade above it, and the yarn and quality wasn't so good because of this excess beating that they had, to get it to a higher grade.

Mr. MARSHALL. Right between my two thumbs, that is one of them; is it?

Mr. FISHER. That would be; and this one wouldn't. This was the quality of print cloth that would meet the requirements of the market. Obviously, a fellow who is a layman is not as competent as that.

If you will hold it up to the light, you can see much better. That is one way to test them, to see whether it is nice and smooth or not.

Mr. MARSHALL. Thank you. I wanted to be sure I understood, after you went to the work of bringing it up here.

Mr. FISHER. I thought, even though you couldn't tell, it would express the idea a little better to you.

Down at Clemson we have, so far, the facilities through the spinning, and it is very important that we get the spinning, and finishing at one place; because you cannot do a good job of testing if you have to put the weaving and finishing at different places. It is awfully hard for us to get one mill to do the same thing as another. Sometime one mill says that "you gave this mill better cotton than you gave me. To satisfy me, I will take 25 bales and split 1, and give the other half to the other mill," and they come up with the same trouble.

So, you see, you very often have little differences between setups in mills that will not give the accurate data that you need, and it is important that we have that.

As I said awhile ago, we used to go in a certain area, and we could evaluate that cotton and practically all of it would be the same. In another area it would be practically the same, qualitywise, for manufacturing; but that is no longer true. We get good, bad, and indifferent, from every area.

So we have to make these tests from every area. The entire cotton trade needs that information, if we are going to keep cotton on a professional basis and with all these losses we cannot spot competition that much.

There is another thing: the mills are perfectly willing to help with this, but our work doesn't have status. When it gets into the trade, it doesn't have status. That mill is interested in what they are doing; so it has to be done under Government supervision, and in test mills. I believe you asked that question last year.

I guess you could see down there why that would be so.

I think this, that if we could educate, find enough pertinent facts here, and let the producer and ginner and everybody know, with a little more care and time, that they could take the same equipment and do a job and save $300 or $400 million, because you cannot do what they are doing now and meet competition.

But I think it would not exaggerate things at all to say that with a little more time and a little more care, use the equipment necessary

to clean the cotton up and still not damage it. It is fast speed; you cannot put it through fast beaters and through the gin and through cleaners in 7 or 10 minutes, and not expect to do damage.

I appreciate very much appearing before you again.

Mr. MARSHALL. We thank you for appearing before us.

We thank the entire group for appearing before us. We have had a rather long session today, but we still are interested in your problem, and interested in hearing it.

I am perhaps in a little different position that you are, because I am a consumer of cotton. I would just as soon say for the record I hope that being a consumer of cotton goods, that we can do these things to improve cotton, because I don't want any more of these synthetic fibers, as far as I am concerned.

Mr. HORAN. I would like to ask just a couple of questions. Out of a total of $6,605,900 for entomology research, $1,502,800 is earmarked as an increase for research for ways to overcome pesticide residue problems, and of course that is important, as Mr. Coker testified.

Also, out of the $3-million-plus for cotton and other fibers, there is an increase again of $603,700 to do specified work here on cotton. That entire increase, apparently, is earmarked for cotton.

The only question I have is: How do you go about advising the ARS in this case about where the priorities for research should be placed?

Mr. BLAKE. Mr. Horan, we have got Mr. George Buck of our staff here, who is our overall man on research. George works closely with the Cotton and Cottonseed Advisory Committee, the Research Advisory Committee of the Department. I would like for him to come in.

Mr. HORAN. Just briefly, Mr. Chairman, because if these items that we have before us are for the good of our American producers, primarily, in our case, I think; and if something isn't being done, why not? And if it is being done wrong, how in the world can we change it?

So I would like to hear Mr. Buck testify.

STATEMENT OF MR. GEORGE S. BUCK

Mr. BUCK. Very briefly, Mr. Horan, as we understand it, the figure you referred to first for insecticide residues applies to all of agriculture. We think it is extremely important. One of the big jobs that needs to be done on those insecticides, on which the Department itself has helped to develop, is to make the same kind of determination that a harmful residue is not left.

Mr. HORAN. I want to know what is wrong. Rhea here, when he was testifying, brought up the fact about utilization research being given a priority over farm research and other research, and of course I happen to share that idea about pie-in-the-sky research, and have been quite outspoken. I am a producer. I know that you can keep research close to the farm, and that helps me as an American grower. If you put it in the chainstore, overall it helps me, of course; but it helps the chainstore operator more than it does me, so I am critical of that, or I have been in the past.

I want to know how you go about giving these priorities; how are you going to please the man you are working for, because he is kind

of wrought up about research not being placed in the right place. What can we do to make sure that it is?

Mr. BUCK. All we have tried to do, Mr. Horan, for the last 2 years is to pass on to you the things that our industry, through the council, through the Cotton Advisory Committee, gave the top priority. The first one was the boll weevil, because that cost the most. Control that thing. That was top priority.

The second was this cotton quality problem we need to resolve. They are the two top ones.

Mr. HORAN. I have been going over this, this pamphlet here. I have been reading the discussions. It looks to me like they are doing that.

Mr. BUCK. He is in trouble this way on this boll weevil thing. You gentlemen did help to get a central lab set up, but the plans get let for that lab in June, and it gets completed about July 1961. If you wait until that time to do anything about hiring this staff, that is one problem.

Then you have another full year; 3 years after you do something, you have still done nothing.

Mr. HORAN. You don't answer Mr. Hays' criticism now, because he wants a crash program right away, to get the boll weevil. I don't blame him.

Mr. BUCK. Right. Here is what you do: If you hire some of these people now, with deference to Mr. Whitten, they don't have to stand around, they can go to work in facilities the Government has now, and then pull them in if you need to, you see. They can go to work today on parts of that program which the study group you all called for said are essential to the whole thing.

We are saying, if you can do this, if you can go to work today, it hurts like the devil to wait 3 years to do anything. That is the first thing; that is the first priority.

The second thing refers directly to this $166 million that Mr. Whitten said the Commodity Credit Corporation has lost. If you can lose $166 million in a year, why is the reason?

Mr. HORAN. On reclass.

Mr. BUCK. On reclass, when you look at cotton, you are looking at it, not measuring it.

Mr. HORAN. I want you folks to know that the cotton people are the ones that know where this research ought to go, and not Congress; and sometimes I think that you ought to get up on your hind legs and talk.

Mr. BLAKE. If I may add this sentence or two in response to this question you raised, because it is very important, Mr. Marshall: You see, the thing I referred to in my statement about the President's message to the Congress, the statements issued by the Secretary of Agriculture, the Budget Bureau's arrangement of the budget, was this. They went in and cut $700,000 out of production research in order to play up the utilization research thing, which has been the popular thing, they think, on the Hill.

Mr. MARSHALL. It is a problem this committee has had to face, but it is not only cotton, but wheat and the other crops.

Mr. HORAN. Off the record.

(Discussion off the record.)

Mr. MARSHALL. We are sorry the floor situation was such today we couldn't spend more time with you.

Mr. BLAKE. You certainly have been with us all the time, and we are deeply appreciative of it, and we want to thank you again.

Mr. HORAN. I want to say for the record that the Cotton Council is doing a fine job. Keep up the good work.

Mr. MARSHALL. Thank you, gentlemen.

AGRICULTURAL RESEARCH SERVICE

WITNESS

J. C. WETZLER, AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION

Mr. MARSHALL. The committee will be in order.

At this time we shall be pleased to hear from Mr. J. C. Wetzler, of the American National Cattlemen's Association. You have a group here that you might introduce for the record, Mr. Wetzler.

Mr. WETZLER. Congressman Marshall, for the record may I present to you the legislative committee of the American National Cattlemen's Association. I would like to present the president, Fred Dressler, of Gardnerville, Nev.; the first vice president, Cushman Rodebough, of Orlando, Fla.; the executive vice president, William McMillan, Denver, Colo.; and members Louis Horrell, of Globe, Ariz., Ernest Hamon, of Viewfield, S.Dak., and Robert Lister, of Prineville, Oreg.

My name is J. C. Wetzler, a cattle feeder from Phoenix, Ariz. I am speaking as a member of the legislative committee of the American National Cattlemen's Association.

This association has a membership which includes 138 State, local, and regional cattlemen's and cattle feeder associations, and thousands of individual cattlemen and cattle feeder members from throughout the United States.

We greatly appreciate the opportunity of appearing before this committee in overall support of the 1961 budget request for the Agricultural Research Service.

Singling out two items from the overall budget request, it is our desire to emphasize the importance of the request as related to Federal meat inspection in the amount of $21,324,900, and the increase asked for to carry on intensive research to develop chemicals and biological measures for use in agriculture for the purpose of eliminating or avoiding unwanted residues amounting to $1,502,800.

The American National Cattlemen's Association has long stood for an adequate appropriation of funds in order to carry on the very efficient and effective function of Federal meat inspection. It is felt that the high degree of confidence on the part of the general public in their dairy beef supply, largely, can be attributed to the activities carried on over the years by the Meat Inspection Division.

This, coupled with the desire on the part of cattle producers and feeders to make available to the public a wholesome beef product, has instilled a confidence that must be maintained.

The recent publicity on the subject of agricultural chemicals emphasizes the importance of the function and services provided by the Meat Inspection Division, and the need for appropriating adequate funds for its continuance.

Mention of agricultural chemicals leads into the next portion of this statement.

It has become quite evident that we probably will be confronted in the future with more problems from the standpoint of chemical

residues in our food supply. This affects us as producers and feeders of the beef supply of the Nation, because it is the sincere desire of the beef industry to continue to produce the most wholesome beef supply for the consuming public.

It is mandatory to develop, through experimentation and research, chemicals and biological measures for use in agriculture which will eliminate any chance for harmful residues in the food products eaten by the consuming public. The research funds requested this year are, in our opinion, a bare requirement of those which will be needed in the future for this purpose.

Agricultural producers are reliant on certain chemicals to produce the food supply of the Nation. As more refined methods for detecting these chemical residues are developed, the problem becomes more acute, so it further necessitates new approaches for the control of certain diseases and pests as well as find new methods for the more economical production and feeding of beef cattle.

As a consequence, private research money of those firms presently developing and manufacturing certain agricultural pesticides and feed additives may be withdrawn. This would put more pressure against the Government, in this case the Agricultural Research Service, to absorb this function previously carried by private money.

For these reasons, we urge this committee to approve the funds requested for 1961.

May we take this opportunity to thank the committee for the funds that have been appropriated, on our request particularly, in the 2 previous years for the Market News Service, in expanding the cattle-on-feed reports.

I wish to report to you that we feel that the leveling of the last shock in the drop in the market, the quick readjustment made to an extent that it wouldn't be fair to say, was directly attributable to your appropriation. We sincerely again thank you so much for permitting us to appear before you.

Mr. MARSHALL. We thank you for your comments.

Do any of the rest of you have a statement you wish to file?

Mr. WETZLER. This will be the statement.

Mr. MARSHALL. We do say that we appreciate your interest in coming here and appearing before the committee, and calling our attention to these things that are of interest to you and to us also. It helps us tremendously.

We realize that you were kept waiting quite a long time this afternoon, and we regret that we did keep you waiting. Things were out of our control a bit today, with some of the floor action. When we set up these hearings, we don't always realize just what may take place; but we do sincerely appreciate your patience.

Mr. HORAN. I want to reassure Mr. Wetzler and the gentlemen here that this subcommittee has discussed at great length the problems of agricultural chemicals.

Off the record.

(Discussion off the record.)

Mr. HORAN. In my mind we have come to the conclusion that we already have the facilities in Government to lick this thing, if we can establish the right kind of cooperation between the Department of Agriculture, the Public Health Service, and the Food and Drug Administration.

We have this increase here earmarked for this purpose. We had the experiment stations before us the other day—from the States, not the Department. They are working on it.

One of the great dangers is that we may lose the chemical fraternity that is hired, as you brought out in your statement, by the chemical industry itself, because in many cases that is a low-profit ingredient they are selling.

I do want to reassure you that we have this problem very much before us, and I myself want it solved, too.

So there is plenty of urgency here in the Congress to see that results are had, and quick.

Mr. WETZLER. It is reassuring to have you folks have that understanding. We don't feel hurt that we had to wait out there, because we came here for a purpose, and we were going to stay until we had it accomplished.

Mr. MARSHALL. Thank you, gentlemen.

FRIDAY, MARCH 18, 1960.

SOIL AND WATER CONSERVATION RESEARCH

WITNESSES

HON. TOM STEED, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

DR. LOUIS E. HAWKINS, DIRECTOR, OKLAHOMA AGRICULTURAL EXPERIMENT STATION, STILLWATER, OKLA.

Mr. WHITTEN. We are pleased to have with us our friend and colleague, the Honorable Tom Steed, a member of the Appropriations Committee.

Mr. Steed, in the years he has been in Congress, has been one of the strongest supporters of agriculture, particularly with regard to the extension, soil conservation, watershed, and other programs.

Mr. STEED. Thank you very much, Mr. Chairman. You are most kind and generous.

I do not know of any subcommittee in Congress which it is more of a pleasure to appear before than this one. As you say, I am so happy and pleased with the wonderful job you gentlemen have done in this field in which we have this mutual interest.

Also, from my own experience, I can well appreciate the difficulties you have in keeping on schedule. I must say I have some subcommittee experience where we were not as efficient in keeping on schedule as you. It is no imposition at all for us to come back today. We are very grateful for the opportunity.

I have a prepared statement which I would ask that you place in the record at this point.

(The statement referred to follows:)

STATEMENT OF REPRESENTATIVE TOM STEED OF OKLAHOMA

Mr. Chairman, I deeply appreciated your thoughtfulness and that of the other members of your subcommittee in permitting me to appear briefly before you today. You have all contributed powerfully to the growing success of our upstream conservation program, and no one has shown more concern for its problems.

You are familiar with the need for additional research facilities as this work develops. Today I want to call your attention particularly to some facility needs that are especially urgent in my State of Oklahoma. As you know, the topography and conservation problems of Oklahoma are such that it is peculiarly suited for the Public Law 566 program. Consequently Oklahoma is the site of more of this work, on a relative scale, than any other State.

We are proud of our outdoor hydraulic laboratory and believe it offers the most appropriate as well as the most economic site for a center for engineering design for conservation structures. In addition, the need for new and expanded facilities on problems of conservation in the Southern Great Plains regions is critical. This has been pointed out by a number of authorities in the past, including Senate Document 59 of the 86th Congress.

At this point, I would like to make a part of the record a resolution adopted by the Oklahoma Association of Soil Conservation Districts, headed by Judge Lavern Fishel of Coalgate, Okla., on this point:

"Whereas the conservation, use, and management of soil and water resources for present and future generations is a major objective of the Oklahoma Association of Soil and Water Conservation Districts; and

"Whereas this association recognizes that good land treatment, flood prevention, and multipurpose runoff water management structures are essential in a progressive watershed protection and development program, and

"Whereas the Oklahoma association recognizes an urgent need for a greatly intensified research program on the soil and water conservation problems in our State, and

"Whereas the working committee appointed by the Secretary of the U.S. Department of Agriculture recognized a high-priority need for a watershed protection research program emphasizing research on land treatment practices in the Southern Great Plains in the Washita River watershed, a National Research Laboratory on the Engineering Design of Conservation Structures, and a National Research Laboratory on Moisture Conservation for the Great Plains, as outlined in Senate Document No. 59, 86th Congress, 1st session, entitled "Facility Needs—Soil and Water Conservation Research": Therefore, be it

"*Resolved*, That the Oklahoma Association of Soil and Water Conservation Districts go on record strongly endorsing the soil and water conservation research program proposed in Senate Document No. 59, with particular emphasis on the proposals listed above having a direct relation to the conservation problems in our State; furthermore, be it

"*Resolved*, That a copy of this resolution be given to each member of the Oklahoma delegation in the U.S. Congress, and to members of the Subcommittee on Agricultural Appropriations in both the House and Senate of the Congress, and officers and directors of the National Association of Soil Conservation Districts."

The greatest technical authority on this subject is Dr. Louis E. Hawkins, Director of the Oklahoma Agricultural Experiment Station. I introduce him to you now so that in considering this subject you may have the benefit of his specialized knowledge.

Mr. STEED. I would like to make as much of the time available to my colleague and associate on this subject today, Dr. Louis E. Hawkins, who is Director of the Oklahoma Agricultural Experiment Station at Oklahoma State University.

In my opinion he is one of the really top authorities in this Nation in the field of agricultural research, especially as it affects water and soil conservation.

Our appearance here today is in connection with the interest shown by this subcommittee in previous years in this field of soil and water research. We feel there are some very interesting and peculiar problems in the great Southwest and the Great Plains area, and a great deal of work has been done toward the proposals here today.

With your permission, Mr. Chairman, I would like now to present Dr. Hawkins and ask that he do the expert testifying for us here today.

Mr. WHITTEN. Dr. Hawkins, we are pleased to have you. We will be glad to hear your presentation.

Mr. STEED. Mr. Chairman, one of the outstanding achievements at Oklahoma State University in its research department has been the work they have already done with their hydrology project, and which I think places Dr. Hawkins in a position to know more about this subject of soil and water research than probably any other person in that entire area, because in their own way and with their own limited facilities they have already done so much with their project there.

We therefore naturally feel that with that wonderful start they already have if it could be correlated and combined with the type of research your subcommittee has been interested in it would be the logical way to follow through.

Mr. WHITTEN. Dr. Hawkins?

STATEMENT OF DR. LOUIS E. HAWKINS

Dr. HAWKINS. Thank you, Mr. Chairman and other members of this Agricultural Committee.

I am deeply grateful for my Congressman taking this occasion to introduce this subject. He is an enthusiastic proponent of soil and water conservation and of research as a service to the public job of assistance to farmers and ranchmen in the conservation of soil, water and natural resources.

As introduced by Congressman Steed, may we make this brief presentation this morning? In the framework of the interest and efforts of this subcommittee and of the corresponding committee on the Senate side, in which 2 years ago there was requested of the Secretary of Agriculture a report on facility needs for soil and water conservation research, I have before me copy of that report which subsequently was printed in the form of Senate Document 59 with which you are very familiar.

Our presentation here this morning will cross reference specifically with pertinent points in that report.

I have here three mimeographed pieces that I should like to submit for the record if it pleases the committee, and to refer to high spots of these three mimeographed statements but not to go into them in detail at this time and only to go to such degree as questions of your committee may lead us to further discussion.

Mr. WHITTEN. We will be glad to have those statements included in the record at this point.

(The statements referred to follow:)

STATEMENT ON FACILITY NEEDS FOR SOIL AND WATER CONSERVATION RESEARCH IN THE OKLAHOMA PORTION OF THE SOUTHERN PLAINS REGION

The critical need for new and expanded physical facilities to augment or make possible an adequate program of research on problems of conservation of soil and water, in the southern Plains region, has been clearly presented by public and private groups from time to time in the past. The most recent description of these needs is found in Senate Document 59, 86th Congress, 1st session, published by order of Senate Resolution 178, September 1959. This statement refers to specified portions of Senate Document 59, and elaborates somewhat on certain aspects thereof.

PROBLEM AREAS IN SOIL CONSERVATION

Figure 2, page 6, delineates "Problem Areas in Soil Conservation." Of these, note—

D23—Red Plains of Kansas, Oklahoma and Texas
D24—Red Prairies of Kansas, Oklahoma and Texas
D25—Texas-Oklahoma Cross Timbers

as areas concerned in this statement.

Figure 3, page 7, lists "Physical Areas for Soil and Water Research Needs and Problem Areas in Soil Conservation." This is a map with the areas for research needs superimposed upon the problem areas in soil conservation. In figure 3, please note "Physical Area 16." This area, while entitled, "Rolling Red Plains and Prairies," actually encompasses the Cross Timbers area of Oklahoma and other lands of the southern Plains as well.

This physical area 16 is listed of "greatest urgency" in need for solution of specific soil and water conservation problems in the following categories:

Figure 4. Precipitation-runoff relationships.
Figure 5. Sedimentation.
Figure 6. Channel stability and sedimentation of valleys.
Figure 8. Consumptive use of water and optimum soil moisture levels.
Figure 9. Water intake rates of soils.
Figure 11. Climatological information.
Figure 16. Equation for predicting erosion rates.
Figure 19. Terrace outlets, waterways and gullies.
Figure 20. Moisture conservation methods.
Figure 21. Conservation cropping systems.
Figure 23. Crop residue management.
Figure 24. Tillage practices.
Figure 25. Fertility requirements for conservation farming.
Figure 27. Cover crops.
Figure 28. Soil blowing problems.
Figure 34. Conservation practices on rangelands.
Figure 35. Windbreaks.

Additional categories of problems listed as "high in urgency" are:

Figure 10. Hydraulics of surface irrigation.
Figure 15. Sealing water surfaces to reduce evaporation.
Figure 18. Terrace design factors.
Figure 31. Establishment and management of pastures and meadows.

MAJOR LAND RESOURCE REGIONS

The major land resource region in which physical area 16 lies is designated in Senate Document 59, page 80, as, "Region VII. The southern Great Plains." Physical area 6, Blacklands and Grand Prairies, lies to the east and physical area 18, southern High Plains, lies to the west of physical area 16. These three areas make up region VII, with area 16 located centrally in the region.

HYDROLOGY OF AGRICULTURAL WATERSHEDS

Senate Document 59, page 127–128, records this recommendation:

"Information is urgently needed to determine the kinds of watershed treatments which are most effective and most efficient in the storage of runoff, and to determine rates at which excess flows should be released.

"Hydrologic studies must also be established to show the effect of all types of land treatments on the total water yield to be expected before it will be possible to manage agricultural watersheds for either the most efficient control and conservation of runoff or to bring about the most effective use of available water resources.

"Experimental watersheds should be carefully selected to represent major agricultural areas of similar precipitation runoff relationships. Such factors as rate and amount of precipitation, soil, climate, cover, and slope should be considered in the selection. Studies on the experimental watersheds will need to be supplemented by less intensive studies on numerous supporting watersheds to apply the findings to local conditions.

"There should be established four to six major experimental watersheds in agricultural areas in various parts of the country. Consideration should be given to locating these watersheds in such parts of the country as the Northeast, the Southeast, the southern Great Plains, the North Central States, the Pacific Northwest, and the Southwest. Each of these centers should include a number of satellite locations that would provide essential supporting information pertaining to the effects of major variations in soils, topography, rainfall, land-use patterns, and physiography. The specific location of a research watershed on agricultural lands should be determined only after a very careful study by a survey team of hydrologists has evaluated numerous possible locations in each part of the country. This research should be coordinated with work on streamflow and watershed hydrology by other State and Federal agencies."

Subsequent delineation (p. 172) refers to one of these "major experimental watersheds" as: "3. Southern Great Plains Hydrology Research Watershed." Two possible locations are suggested, one of which is near Chickasha, Okla., on the Washita River. This is one of the "11 original authorized watersheds" of Public Law 534, approved for complete treatment of the watershed. This location is within the Red Prairies, designated as "D24 subarea" under "Problem areas."

CROSS TIMBERS OF OKLAHOMA AND TEXAS

The Cross Timbers, subarea D25, lies to the east of D24-Red Prairies, and within "Physical area 16," as noted above. Soil and water relationships in the Cross Timbers differ markedly from those of the Red Prairies, due to differences in character of soil, topography, vegetative cover and annual and seasonal precipitation. An experimental watershed is needed in the Cross Timbers to facilitate research on problems peculiar to that sizable subarea.

Mutual advantages could be realized in the construction of facilities and the conduct of research in these two adjacent subareas, the Red Prairies and the Cross Timbers. Certain indoor laboratory facilities and lead personnel could serve both subareas. Unnecessary duplication would be avoided.

CENTER FOR ENGINEERING DESIGN OF CONSERVATION STRUCTURES

Discussion under this heading in Senate Document 59 (p. 136) brings out the pressing need for expanded research in this subject area and the requirement for expanded facilities to accommodate this research. Following description of the desired research is this recommendation:

"A necessary requirement for such a center on this subject is an adequate supply of water with ample head for testing models or essential parts of all structures required in watershed programs administered by the U.S. Department of Agriculture. It is also essential for the requirements of departmental action programs that research on design problems have first priority. Ample and suitable land should be available for outdoor testing of conservation structures and necessary appurtenances thereto. It would also be desirable to locate such a laboratory where testing would not be seriously hampered by cold weather.

The center should be located at or adjacent to a land-grant college or a university with strong programs in areas related to the work of the center.

A modest center of this sort now exists at Lake Blackwell, on land owned by Oklahoma State University and located near the campus of the university. Augmenting of facilities and expansion of program of work at that location will meet the requirements of this research center.

Research centers proposed for support in this statement, all in Oklahoma

Name of facility	Suggested location	New work and facilities needed	Proposed construction and operating funds	Page in S. Doc. 59
Southern Great Plains experimental watersheds.	A. Red Prairies near Chickasha, Okla.	1. Effects of flood control and watershed protection now in advanced state. 2. Relation of runoff to sedimentation in streambeds and over valley lands.	Watershed A $300,000.	127, 128, 171, and 172.
	B. Cross Timbers in central Oklahoma.	3. Relation of rainfall and vegetative cover to runoff, peak flows, water yields, and accretion to ground water storage. 4. Instrumentation and minimum working buildings.	Watershed B $300,000.	
Engineering design of conservation structures.	Oklahoma	1. Basic research on the hydraulics of flow in natural channels, flood plains, and flood routing systems; and on the design of flow detention structures for most efficient construction and maintenance of control works essential for the small watershed program under Public Law 83-566.	$600,000	136 and 170.

Proposal for the Expansion of a Center for Engineering Design of Conservation Structures at Stillwater, Okla., 1960

PREFACE

The demand for more food and fiber to feed and clothe an increasing population will be met by a more intensive use of the existing agricultural lands of the country. This effort to produce more and more must be accomplished by a sound soil and water conservation program so that the high production level can be maintained for generations to come. Conservation practices are being introduced into agriculture, but in the application of these new methods problems are met which must be solved. Their solution can be achieved best by research rather than costly trial and error. To accomplish this research requires facilities and laboratories in which the needed experiments can be made. This proposal is concerned with the more adequate expansion and development of such a laboratory.

THE PROPOSAL

It is proposed that the research facility for the engineering design of conservation structures now at Stillwater, Okla., be expanded. Basic research can then be conducted more adequately on the hydraulics of flow in natural channels, flood plains, and flood routing systems; on the design of flow detention structures; and on most efficient construction and maintenance of control works essential for the small watersheds program under Public Law 83–566. (1)

Further description of the purpose, character, and objectives of this center is given in the following statement taken from a report entitled "Facility Needs, Soil and Water Conservation Research." (2)

CENTER FOR ENGINEERING DESIGN OF CONSERVATION STRUCTURES

"Water control structures are playing an increasingly important role in the soil and water conservation program. Watershed protection and flood prevention legislation in recent years has greatly accelerated the installation of control structures and increased the need for better design information. More adequate structure design would reduce the possibilities of overdesign, which increases the cost unjustifiably, or underdesign, which may result in failure of function of the structure. All items of cost not required for safe functioning of structures must be eliminated.

"Major attention should go to improving the design and performance of closed conduit spillways and other conservation structures. This should include research to improve design features; to develop suitable trash guards for drop inlet and

other closed conduit spillways; to develop means of dissipating energy at spillway outlets; and to devise and perfect new and improved flumes, weirs, gates, and rating sections for streamflow and water discharge measurement.

"Basic research should be undertaken on the hydraulics of flow in channels and flood plains as a basis for developing practical methods of routing floodflows. Information is needed on the friction factors for the range of conditions encountered in upstream work to support expanding watershed-protection and flood-prevention programs. A knowledge of how to route and combine flows is a key factor in projecting information from experimental watersheds of a few acres in size to operational watersheds up to several hundred square miles. Practically all the work to date has been done on vegetated channels of uniform geometry. Irregularities of grade and cross section should receive further study."

WHY THE CENTER SHOULD BE AT STILLWATER, OKLA.

Stillwater, Okla., is the place for this center. The facility needs report (2) supports this. On page 86, for example:

"Stillwater, Okla.: The unique facilities available at this location should be expanded to serve as a center for evaluating engineering design of conservation structures including vegetation that are an important part of the rapidly expanding watershed programs authorized under Public Law 83–566, as amended."

Also, on page 85:

"Special mention should be made of the excellent water supply provided by Lake Carl Blackwell near the Oklahoma Agricultural Experiment Station campus where the Agricultural Research Service and the Oklahoma Agricultural Experiment Station are conducting research on design of engineering structures for use in conservation operations."

Further supporting factors:

(1) The present hydraulic laboratory at Lake Carl Blackwell is a cooperative research project of the Oklahoma Agricultural Experiment Station and the U.S. Agricultural Research Service. It has been in operation for 18 years and in this time the laboratory has received worldwide recognition in the filed of conservation hydraulics. Only recently the Government of Israel translated one of the handbooks (3) prepared at this project into Hebrew for guidance in the conservation program of that country. Also recent technical books on the subjects of channel hydraulics and conservation quote estensively from its publications. The technical excellence of this research project is widely recognized.

(2) The siphon installation, water supply canals, water control and measuring structures, full-size field installations, and storage and shop facilities now present and available would have to be built and equipped new if the center were to be located anywhere else. Cost of duplicating these and other facilities now available is estimated at $1 million.

(3) The present land area assigned to the laboratory can be more intensively developed to permit considerable expansion of its activities. Also, immediately adjacent to the laboratory are 100 acres suitable for the kind of experiments proposed and now owned by Oklahoma State University. This land will be made available to the laboratory as needed.

(4) The large quantities of water needed for this research are available in Lake Carl Blackwell which adjoins the laboratory site.

(5) The cooperation between the State agricultural experiment station and the Federal Government in the operation of the laboratory is real and the relationships are excellent.

(6) The facilities of the agricultural experiment station and the university are available to this laboratory. One of these is the computing center which has a modern high speed electronic computor. The hydraulic laboratory has used the services of the computing center several times in the past and is planning to increase this use. Another facility which has been used for this research project is the soils laboratory of the university.

(7) The scientists of the agricultural experiment station are available for consultation. In the past the hydraulic laboratory has depended on the university agronomy department for guidance in the vegetation lined channel studies. This service will continue available to the laboratory.

These advantages in expanding the present laboratory to provide the desired center for engineering design of conservation structures are great indeed. Orderly expansion, rapid yet commensurate with careful planning, could be achieved with fund support as indicated on the following page.

Center for engineering design of conservation structures

Item	Facilities	Present	Proposed
Unit I. Construction of structures model laboratory.	Construct buildings to house a structures model laboratory and provide work space, 15,000 square feet.	.....	$120,000
	Storage and shop buildings and facilities.	$25,000	.....
	Water supply, siphon installation, water-control structures.	450,000	.....
Total, unit I	.....	475,000	120,000
Unit II. Expansion of present outdoor laboratory to make maximum use of all facilities.	Present model study facilities	25,000	.....
	Full-size field installations	100,000	.....
	Water-supply canals	50,000	.....
	Water supply	350,000	.....
	Siphon outlet capable of drawing 200 cubic feet of water per second from Lake Carl Blackwell.	.....	60,000
	High level supply canal to deliver the maximum flow to the present unused areas of the laboratory.	.....	120,000
	Low-level reservoir to intercept the laboratory waste water for reuse.	.....	44,000
	Equipment needed for laboratory operation and maintenance.	.....	60,000
	High-level reservoirs to contain water for supplying the area to be added to the laboratory.	.....	36,000
	Pumping plant for high-level reservoirs.	.....	12,000
	Waste and lateral canals for high-level area.	.....	12,000
	Controls and appurtenances	.....	24,000
	Experimental channels	.....	90,000
	Surfaced access roads on the present and expanded laboratory areas.	.....	24,000
Total, unit II	.....	525,000	480,000
Grand total	.....	1,000,000	600,000

MATERIAL CITED

(1) Hearings before the subcommittee of the Committee on Appropriations, U.S. Senate, 86th Congress, 1st session, on H.R. 7176, page 195.

(2) A report of findings by the working group appointed by the Secretary of Agriculture submitted to the Honorable Richard B. Russell, chairman, Subcommittee on Agricultural Appropriations, U.S. Senate, by True D. Morse, Under Secretary, Department of Agriculture, on March 2, 1959, Senate Document No. 59.

(3) Handbook of Channel Design for Soil and Water Conservation, Soil Conservation Services, SCS–TP–61, Washington, D.C., March 1947. Revised June 1954.

Supplement to a Proposal for the Expansion of a Center for Engineering Design of Conservation Structures, 1960

OKLAHOMA BEST LOCATION FOR OUTDOOR HYDRAULIC LABORATORY

The outdoor hydraulic laboratory was moved from Spartanburg, S.C., to Stillwater, Okla., 18 years ago. The selection of the new location was based on a study of various sites for the laboratory. The factors that entered into this study were central location in the United States, climate, water supply, physical characteristics of the site, and proximity of an agricultural experiment station. If a similar study were made today the Stillwater location would still rate first priority, and for the same reasons as were true 18 years ago.

Central location in the United States was a first consideration. Next, much of the work of the laboratory is on the study of waterflow over grasses. More different kinds of grasses to be found over a wide area can be grown at a central location than at a more peripheral one. Grass manuals show that the distribution areas of important grasses overlap in the central Oklahoma region. Therefore, Oklahoma is a logical place for studying grasses of the United States.

A moderate climate is required for this type of work that is done largely out of doors. A working season of 9 months or more exists in the Oklahoma location.

Large quantities of water are used in the flow tests and the water supply must be adequate and available the year around. Expanded testing activities may require up to 5,000 acre-feet per year. Lake Carl Blackwell, present water source for the Oklahoma laboratory, can supply the water as needed.

The site for the experiments should be a hillside which lies below the water supply. The land should be free of rock or forests and the soil should be suitable for crop production. A hundred acres or more are needed for the laboratory. Land meeting these specifications is a part of the present laboratory.

The Oklahoma Agricultural Experiment Station, Oklahoma State University, is at Stillwater. Its staff members have given valuable guidance to the laboratory over the past years and still closer working relationships are being developed continuously. The facilities of the university always have been available to the hydraulic laboratory. These include the excellent library, the statistical laboratory, the computing center with its modern high speed electronic equipment, the soils laboratories, and other facilities. Oklahoma State University presently enables the hydraulic laboratory staff members to become trained in use of the computing center to the extent that they can write intricate programs and operate all of the equipment. As a direct result the laboratory has used the computing center and its members have been freed from manual computing routine to spend more time on analyses—thinking research.

OKLAHOMA OFFERS THE MOST FOR THE MONEY

Locating the center for engineering design of conservation structures at the site of the present outdoor hydraulic laboratory means expanding a valuable existing facility rather than developing an entirely new one. This course yields more laboratory for the money. An expanded project can be brought into full production much quicker than a newly initiated one, with great saving of time in getting the needed new information.

THE STILLWATER OUTDOOR HYDRAULIC LABORATORY SERVES VARIOUS INTERESTS

The primary function of the hydraulic laboratory is to design and develop basic structures for handling runoff water. This work is so basic in character that the results are applicable nationwide, even worldwide, over great variety of conditions of soil, topography, climate, and other natural conditions. It truly is a national center for this research.

The laboratory serves agricultural groups first of all in the conservation of soil and water. Other interests, however benefit greatly from it. Tomorrow, March 16, 1960, a group of approximately 25 highway design engineers from the U.S. Bureau of Public Roads and the Oklahoma State Highway Department will visit the hydraulic laboratory. This visit is a part of a training program for these engineers. At the laboratory they will witness demonstrations of flow phenomena in vegetation-lined channels and receive instruction on the design of these waterways. They will also receive instruction on the principles of culvert hydraulics.

On April 21, 1960, the laboratory will be visited by a group of students from outside the United States participating in a special conservation short course. These men will receive firsthand instruction on the principles and practices of controlling surplus runoff waters on agricultural lands.

OKLAHOMA WATERSHEDS CHOSEN FOR MORE INTENSIVE STUDY

The watersheds instrumented and maintained by the Oklahoma Agricultural Experiment Station and the Stillwater Outdoor Hydraulic Laboratory have been selected for evaluating new hydrologic theories. The USDA-State hydrologic research station located at Riesel, Tex., searching for a suitable location for testing some new ideas in estimating runoff, selected the Stillwater location for their purpose. One of the main factors influencing the choice was the excellent Federal-State working relationships at Stillwater. The presence of trained personnel and suitable laboratory facilities at Stillwater also entered into the decision.

Dr. HAWKINS. The first mimeograph to which I refer is entitled "Statement on Facility Needs for Soil and Water Conservation Research in the Oklahoma Portion of the Southern Plains Region."

If I may I will call your attention only to the last page, page 6 of that mimeograph. There we have a table which specifies certain

facilities and lists an estimate of dollar needs for expanding these facilities.

On this page 6, the first two facilities indicated would be new installations. The first is referred to as experimental watershed. The first is an experimental watershed, and this cross-references with pages 127 and 128 of Senate Document No. 59 and with pages 171 and 172 of that same Senate Document 59.

This experimental watershed is estimated to cost $300,000 for initiation and operation in the first fiscal year of its existence and it is proposed to be located in one of the approved watersheds, one which was approved long ago by the Congress for complete treatment for conservation of soil and water. This is in the Washita Valley and the Washita watershed.

Immediately adjacent to that area there is a quite different area, likewise referred to in the same Senate Document No. 59, an area referred to as the cross timbers section which traverses Oklahoma in a general north-south direction, and extends deep into Texas, an area characterized by rolling topography, highly erodable soil, and a limited timber coverage.

The experimental watershed in the Washita area would be on a kind of soil character and topography which is of such difference from this cross timbers area that results developed in the first-mentioned area would not be entirely applicable to the cross timbers area.

Therefore we are proposing, again within the range of this study made by representatives of the Department of Agriculture, and a representative also of the State experiment station who was present on the committee which made the study, a similar experimental watershed in the cross timbers area.

These two, gentlemen, geographically and distancewise, would be within a range of not to exceed 100 miles from each other, and there would be a real advantage in developing the two simultaneously. There would be a saving of money and an increase in effectiveness of both by that degree of proximity. The natural conditions of soil and vegetated cover are such as to make the need for the two existent. One would not serve both of these quite extensive areas as adequately.

The third facility indicated at the bottom of this same page 6 refers to engineering design of conservation structures.

The laboratory to which Congressman Steed alluded a moment ago, a hydraulic laboratory, located presently some 10 miles west of Stillwater, Okla., was placed at that location, that is to say this laboratory was established at that location, 18 years ago.

The second mimeograph which I am submitting for your consideration to be incorporated into the record is entitled "Proposal for the Expansion of a Center for Engineering Design of Conservation Structures," and deals specifically with this facility I am speaking to now.

Still the third mimeograph is a supplement to this last-mentioned one and it is labeled supplement to a proposal for the expansion of a center for engineering design of conservation structures.

This laboratory moved from Spartanburg, S.C., to its present location 18 years ago. It has continued in the interim and has yielded most valuable basic findings on this subject of engineering design of conservation structures.

Again may I refer you to page 5 of the second mimeograph to which I alluded which shows a budget page.

The first column of figures, you will note, indicates an estimate of value, or what would be replacement cost of these facilities to be initiated now, adding up to no less than $1 million which it would take to establish what is there now—the laboratory, land, location immediately below the dam of a sizable lake from which the water supply is drawn, and the proposal likewise consistent with the report of Senate Document No. 59, pages 136 and 170.

There is a proposal of $600,000 here for expansion of the facilities and programs of this laboratory.

Overly abbreviated, gentlemen, that is the subject. I shall not go into the detail of technical subject matters for which these facilities would be used except as your questions may lead us further into this proposition.

We come to you, I say again, within the framework of the many years of effort of you gentlemen and the official document which prescribes need for an estimate of the cost of these various facilities.

Mr. WHITTEN. Dr. Hawkins, we wish to thank you for your presentation. We have recognized for a long time the need for research in this area.

The Senate document to which you referred came about as a result of the request of this committee directed to the Department of Agriculture.

Dr. HAWKINS. Yes, sir.

Mr. WHITTEN. However, instead of the Department of Agriculture making recommendations, they got an outside group to bring together everything that everybody wanted and felt that they needed.

Then the Department refused to reach any conclusions and findings on it, but rather just brought all these requests up here in a bushel basket and dumped it before the committee. The Department has opposed all of this because they have refused to approve any of it.

The Bureau of the Budget opposes it. The Secretary of Agriculture opposes it.

It leaves us, then, where your request is over the budget.

With regard to the President and the Secretary of Agriculture talking about the overall expenditures in the name of agriculture, it puts this subcommittee in a rather tough spot. We do not have any money, and whatever we may do here is good only insofar as we can get it through the whole Committee on Appropriations and through the Congress. With the public temper being what it is at the moment it is just a tremendous task.

It has been my belief that, in the field of research, while each State wants a laboratory and wants research, the Department in turn should be able to use research results in some areas to meet the answers in other areas.

I am not trying to say that yours should not be the location of one of these laboratories. But I do not see how it is possible to get money from the Congress for every State to get answers that could be gotten somewhere else, or to give every State a laboratory because it would like to have one.

Again, I am not trying to draw any conclusion in a particular instance. I am just pointing out what this committee had in mind when we asked the Department of Agriculture to survey the whole country and to develop a long-range program, not feeling there was

any possible chance for Congress to give all the laboratories asked for in the document.

What is in this document does not represent the recommendations of the Department of Agriculture. They flatly refused to survey this matter and make any recommendations. In fact, they opposed this.

Again, after the Department reviews and sees what they can do here, there, and elsewhere, then they can recommend various projects throughout the country. Of course, there is a wide difference in terrain and other conditions, so they could not do this research in one place. That is why we asked for this study to start with.

The best this committee can hope to do is perhaps to get the Department, if we can, to say that this is a central location, that your answers could cover a wide area, and answers being obtained in other facilities are not applicable.

We will call on the Department once again to tell us, if they will, just how this fits into a common pattern, and from that we then will see if there is any way we can grant you any starting point.

I am not raising this just with you. We have had to raise it with many of our witnesses. I think perhaps we have nearly a hundred, and every one of them needs more money. In fact, if we added up requests for money above the budget it would equal as much as is in the budget already.

Again, we appreciate your appearance and your interest, and we appreciate the fine presentation. I would like to ask you while you are here to tell us in your judgment why it is essential that research in this field be done there and why the results which might be obtained in other areas might not be applicable.

In connection with other laboratories for this type of work the description of what they do is exactly the description of what you say you would do.

Dr. HAWKINS. Mr. Chairman, I am delighted at the opportunity to respond to that question. First let me, if I may, remind the committee that we here this morning, if I may say it this way, as a friend of the court to discuss the subject which you men over these years have called for—technical council with respect to needs in this field.

Mr. WHITTEN. I have always said that if I do not ask the hardest questions I know it was only by oversight. Only by questions can we give you the opportunity to show where the problems exist so you in turn can put your best foot forward.

Dr. HAWKINS. I completely understand and I see exactly how it all adds up. It is just as you said.

Let me respond specifically to your question in this manner:

There are indicated here two facilities. These two experimental watersheds are in two parts. Those are of applied research type, the application of basic research findings that are developed elsewhere than in those particular locations.

The need for those locations area by area is quite fully discussed in this official document, Senate Document 59, and being of applied character there are of necessity a need for many of them over the entire United States.

The other facility we referred to, a center for engineering design of conservation practices, truly is a national laboratory. There is no other like it in the world. It is serving the national program in this field of work on engineering design of these conservation structures,

not only of that laboratory but the results are of nationwide application. We are calling your attention this morning to the opportunity for expanding the program of that national laboratory.

The justification for it is extended in these mimeographed discussions I have offered for the record and the reasons for expanding in that location are shown.

The location was chosen 18 years ago. The laboratory moved from a prior location at Spartanburg to this place more centrally located in the United States.

The work is so basic that it knows no geography nor climate. The reasons chosen for having the laboratory established there at that time still hold. There is a supply of water, a central geographical location in the United States, close proximity to a major educational and research facility, in this case Oklahoma State University.

Mr. WHITTEN. Is that operated by the Department of Agriculture?

Dr. HAWKINS. It is a partnership operation in this respect, Mr. Chairman. The real estate is owned by the State university. The operating personnel are predominantly USDA employees, civil service employees.

The program is a partnership arrangement, completely integrated, State and Federal.

My response to your question is that that facility is a national one.

The other facilities, these experimental watersheds, are of an applied sort which, as time and funds become available, need to be distributed over the United States. There are a few now and there will need to be more.

Mr. WHITTEN. I certainly recognize your experience in this field. It does put us in a difficult position without having a recommendation from the Department of Agriculture.

Wherein is this work in these watersheds different from the work in other watersheds? I know some of these various areas. How is this research in this watershed in furtherance of what we are trying to do throughout the country?

Dr. HAWKINS. Application of basic research findings to the specific climatic and vegetated cover conditions in a sizable area but not only a geographical region.

That is to say this: I am confident that you would be the first to concur and recognize in the fact that work done either in the Washita Watershed or in the Trinity Watershed of Texas would not be adequate. It would be useful but it would not be adequate because of differences in climate and vegetated cover.

Mr. WHITTEN. I am a lawyer and I have heard a lot, and tried to learn a lot second-hand. A lot of this I do not understand after all my efforts.

Does it mean that, to properly handle this watershed program we have throughout the United States, in addition to providing funds we should also have a research project along this line in each watershed? Where is the limit to how much we would have to have?

Dr. HAWKINS. It is delineated in this document. We in the States concur in the delineation of this document. A number of experimental watersheds should be carefully selected to represent major agricultural areas of similar precipitation runoff relationships.

Such factors as rate and amount of precipitation, soil, climate, cover and slope should be considered in the selection.

53146—60—pt. 4——16

Mr. WHITTEN. Have you tried to get the Department to include this in their request? Have you taken it up with the Soil Conservation Service, to see if they would get the Secretary of Agriculture to ask the Bureau of the Budget for it?

Dr. HAWKINS. The answer to your question is "Yes."

Mr. WHITTEN. We can see it did not get to us so we know it failed somewhere along the line, but what was the reaction of those people?

Dr. HAWKINS. Concurrence in the need for same. Between there and here we lost sight of it.

Mr. WHITTEN. I am glad to know that you have done that. Many of our friends who have these problems, and are completely sincere about them, do not realize it makes it 10 times easier if you get budget approval up to us. I wish to commend you for starting at the proper place and going as far as you could on your own.

Mr. STEED. If I may interpolate this information at this point, Mr. Chairman.

These two types of terrain mentioned here for these two proposals in effect represent what we would call the western half and eastern half of Oklahoma. There seems to be a dividing line down through the center of the State where the whole nature of the soil and all of these factors change.

The western part of Oklahoma, as you know, is where the Washita watershed is located. They have been working on that for many years. It is more than 60 percent completed. It is very far advanced as compared to the other types.

Over in the eastern part of the State, especially in my own congressional district, this watershed program has had such wide public acceptance that you will find probably more activity in that particular area than in almost any other place in the whole country.

As a matter of fact, in the last 2 years almost one-tenth of all the construction work under the new watershed program has been concentrated in what generally is my congressional district.

The rapid progress being made in these watersheds, actual construction, both in Washita in the western half and this new program in the eastern half, indicate that if we are to have the advantage of research it is on us right now because of the tremendous progress already made in the field.

I know of no spot in the country where this whole program has moved forward as rapidly as it has right in this particular area.

Mr. WHITTEN. Speaking of that, this committee has many problems, as you can imagine, each and every year. One of the disturbing things in this present budget this year is that the budget has cut the flood prevention program by some $3 million even though it is already lagging way behind.

With regard to the other watersheds there has been a substantial cut in money for planning and cuts in the way of improvements, because there will be no carryover in 1961. That is another problem we have.

I want to thank you, Dr. Hawkins.

Mr. STEED. Because of the activity that I have had the opportunity to observe in this program, and knowing the background and history of it, I know of nothing that I believe will contribute as much to the future value of soil and water to this country as this whole watershed program will contribute. It is literally changing the face of the earth.

Anybody who will take the trouble to go and look firsthand at what is being done and what is being accomplished I think will come to that conclusion.

The reason I interrupt now is to say this: This is an opportunity I have wanted for a long time, to put in the record my personal appreciation to this subcommittee, because I think right here on this subcommittee is where the credit for the progress in this field deserves to be placed.

I do not believe there is any similar group in the Congress that has sponsored a program that has been any more important or done any more good than your work in this field has.

I think the whole country owes a real deep gratitude to this group and what you have done to make it come into being.

Mr. WHITTEN. I appreciate the statement of my friend.

Mr. Marshall, do you have any questions?

Mr. MARSHALL. I would like to say this, Mr. Chairman: We have long known the interest of our colleague, Mr. Steed, and his interest in soil and water conservation. He has been one of the stalwart supporters of these programs in Congress.

I think it is fully recognized what problems this subcommittee has, particularly this year, with declining farm income and continuing rising costs of the Department of Agriculture. It makes it rather difficult to do a lot of things that we really would like to do.

I know we can rely on our good friend and colleague, Tom Steed, to give us all the support he can as he has in the past.

Mr. STEED. We realize, of course, these budget problems with which we are faced. I think this research program is so vital and necessary that if we do not begin educating ourselves and talking about it now it will be even more delayed than it otherwise would be. We have a dual purpose here today, to do what good we can this year and hope we can be of aid to the committee in continuing its long-range hopes in this field by placing in the record these very pertinent facts which justify the whole program.

Mr. MARSHALL. I find I do not disagree with the statements that you make and which you continually make about the need for soil and water conservation.

Mr. HORAN. I am for this watershed business and I hope that we can meet these obligations and keep this work going. I attended a hearing the other day before a subcommittee headed by our colleague, the Honorable George Grant of Alabama, in which they made a start toward an approach through the Forest Service to really manage our major watersheds, and the interest in that was amazing, not only Members of Congress, but I have wires urging that this approach be started. It did not necessarily involve money. It involved getting together all the people who, as you said, Mr. Steed, on Main Street are interested in this watershed thing. Through the years I have been watching the work on the Washita. That is a part of the Red River, is it not?

Mr. STEED. It is a tributary of the Red River.

Mr. HORAN. I think the people from Oklahoma are to be commended for their part in this work and I want to say to you now that I hope we can come up with some sort of a solution to the present farm problem so that we can feel free to expend some money on meritorious projects.

We have quite a number of research items that add up. There is over $8 million in the budget for this type of research in general, and in our payments to States some of that is allocated to the work you are doing, is it not, Dr. Hawkins?

Dr. HAWKINS. Yes.

Mr. HORAN. But right now I am not too encouraged we can take action like we have in the past because we are right up against it. The one thing we have to solve is this storage thing. That is disturbing all members of this committee, and I know Mr. Whitten has given a lot of thought to it.

It is not a matter of hoping we will be able to solve the surplus and storage problem, Dr. Hawkins. I want to say to you we have got to do it.

Dr. HAWKINS. It is basic.

Mr. HORAN. We cannot go on this way.

Mr. STEED. It is pretty frustrating to have these actually unnecessary costs saddled on your back when there are other things of real importance that could be done with the money.

Mr. HORAN. I do not know if you have seen this booklet, Dr. Hawkins [handing document to Mr. Hawkins].

Dr. HAWKINS. I have not.

Mr. HORAN. It is an interesting booklet put out by the soil conservation group. To me that little pamphlet there means something, and it means an awful lot to the State of Oklahoma because you have this challenge down there. There is no question about it.

We just want you to know we appreciate your coming up here, and we want you to know we are in agreement with your whole philosophy. As our chairman says, we want all the sympathy we can get on this side of the table.

Mr. STEED. We consider this subcommittee the real champions of our cause, and our purpose in being here today is that we will be of some aid to the subcommittee.

I hope some day when you gentlemen are out in the field you will have an opportunity to go by and have a look at this hydraulic work.

Mr. HORAN. I would enjoy doing that. When Mr. Stigler was on this committee we made a trip to the Washita area. He was a great member of this committee.

Dr. HAWKINS. I remember him well.

Mr. HORAN. I would like to make a field trip and see some of this work.

Mr. MARSHALL. Yes.

We thank you for your appearance before the committee.

Mr. STEED. Thank you.

Mr. MARSHALL. The committee stands adjourned until 1 o'clock.

FRIDAY, MARCH 18, 1960.

MARKETING RESEARCH

WITNESSES

C. S. RAGLAND, C. B. RAGLAND CO., NASHVILLE, TENN.,
HAROLD O. SMITH, JR., EXECTUIVE VICE PRESIDENT, UNITED STATES WHOLESALE GROCERS' ASSOCIATION, INC. WASHINGTON, D.C.

Mr. MARSHALL. The committee will be in order.

At this time we will be pleased to hear from Mr. C. S. Ragland of the C. B. Ragland Co.

Do you have a statement you would like to give to the committee, Mr. Ragland?

Mr. RAGLAND. Yes.

Mr. MARSHALL. We will appreciate your statement at this time.

Mr. RAGLAND. I have a formal statement which I preapred myself. It may seem like it was sort of canned but it is my own preparation. I thought before coming to that I had better see if you would like to hear what is in it, and I thought I would start out by giving you a little of my background and telling you why I am here.

Mr. MARSHALL. That would be appreciated.

Mr. RAGLAND. I am 65 years old this coming August 8. I was born in 1895 in the county seat of Cannon County, Tenn., which is named Woodbury, and moved around 1900 to Murfreesboro, the county seat of Rutherford County. Then in 1917 my family moved to Nashville.

I graduated from Vanderbilt University in 1917 and almost immediately got in the service. As a matter of fact, although I had played football and basketball and track and everything there on the squads, I had a little trouble with my vision and finally got, around the last of September, in Washington in the Corps of Engineers. I got two good things out of that 9-month experience. First, I took a course in bookkeeping, and it was a very good course because all the economics and Greek and Latin I had had did not do me much good in the grocery business. My father was a wholesale grocer. He moved to Nashville about 1888 and went to work as a salesman up the Cumberland River, up one side and down the other, shipping his goods by steamboat largely, and while he was making these towns he was a man without a wife and looking for one, and he met the girl he married, who happens to be my mother, in Smithville, Tenn.

My first job was on returning from the service in 1919. The firm had just started then with three employees. It has since grown—it is still a small concern, but we have over 200 employees. It was incorporated in 1927, and in 1937 when my father passed away I became the president and have been the president since then.

My interest in matters that trade associations are interested in has had quite a pleasing and a rather long history. I first became interested in the Southern Wholesale Grocers' Association, which is the one Mr. Smith is executive vice president and general manager of. That was back in the old days when we had a lot of fun and did some constructive work, we hope, in matters of legislation. In 1944 I was president of that association.

I was also interested in the rival association which is now called the National Association. I was vice president of that association and attended conventions of both associations; and, as a result of all that work, when the OPA and OPS came along I was given various jobs. I was on the Committee on Small Business in the Department of Commerce, and was later on their big committee which was the Committee on Distribution, and from there I had a call from the U.S. Department of Agriculture and before there was a Committee on Food Distribution I attended two meetings of the so-called Ed Hart committee in Washington which the Department of Agriculture was putting on. In 1955, 25 advisory committees were formed, of which 18 had to do with commodities and 7 with functional matters. We are a functional committee because we have to do with food processing.

We do not know why—and I am a student somewhat of the 1946 Research and Marketing Act, and I think Congress did a great job when they had the foresight to pass that act—but it takes a big organization like the Department of Agriculture to absorb the full implications.

Congressman, I have not said much so far. I have been talking about my background.

I was on the Committee when it was first established in 1955 and I have been Chairman now for the past 2 years. I have learned to know the scientists and research people real well and I am of an inquisitive nature and might have stepped on some toes because I am interested in not only evaluating the projects that are brought before us, but I have been interested in the agricultural setup of the Agricultural Marketing Service and I have been interested in its budget and particularly in the budget of the sections and divisions with which we are closely affiliated, and that is the marketing research. As you know, there are three divisions now. My particular forte is one of the four sections which has to do with wholesale and retail methods. This is under the Division of Transportation and Facilities which, to me, is a terrible situation when you are representing an industry that does $50 billion of work annually not including what is done in restaurants and not including what is raised on the farms. We are at the bottom of the list and you are listening to the smallest voice of all the Advisory Committees that appear and work in accordance with their duties and responsibilities. We are the smallest and from the standpoint of the budget--you know the budget is running now about $80 million annually or a little more. Last year I believe it was a little more than that. Sixty-four million dollars of it went to agricultural marketing services or agricultural research services. They get you a little confused because the marketing service research I am in is different from the agricultural marketing service per se. The AMS had a budget around $9 million and this little section I represent had a budget of $170,000, notwithstanding I believe the agricultural marketing research program is in the interest of the farmer and is in the interest of the trade associations and their members and is in the interest of the consumer.

I reckon you hear this often, that you spend enough money on the part where I come in most contact with, which is, for example, wholesale and retail methods. After all, where the farmer gets a better return and gets more for his produce, and where the consumer gets the benefit, comes from the efficiency of wholesale and retail methods.

That is where we get better quality and better prices and the other things marketing efficiency brings.

I have a statement, as I said a while ago, which I myself prepared yesterday in Nashville and I would like to leave a copy of it with you gentlemen.

Mr. MARSHALL. We will be glad to have your statement printed in the record at this point.

Mr. RAGLAND. Thank you.

(The statement follows:)

I. How the USDA program of marketing research helps the farmer:

1. It has resulted in lower retail food costs to the farmer.

2. It has increased demand for farm products which has made for higher farm prices.

3. It has enabled the farmer to cash in constantly on improved quality and on larger utilization of new and old products.

4. In the interest of the farmer, it has constantly kept in mind the intent of Congress in title I, II and III of the 1946 Research and Marketing Act. During the last 13 years the problems of production have decreased. while those of marketing and distribution have greatly increased in importance. Although the private research of some segments of our distributive system have made important contributions to a sound and efficient system, the Department of Agriculture has done an outstanding work under the handicap of lack of understanding by the top brass of the Department and the Bureau of the Budget. I know the members of our Committee, as one of the some 25 advisory committees, have gladly given of their time and knowledge to make a real contribution, to cooperate with Federal and State agencies and producers, to further effective research and service programs. During the last year our cooperation has assisted in the training of workers of the State extension service, usage of a produce training program in 22 States, some 45 national presentations to association meetings, purchase by users of 45,000 various bulletins, and hundreds of unreported public discussions on the research work of the USDA.

5. It has shown the farmer that although 50 percent of the costs of marketing food in this $50 billion annual business are wholesaling and retailing costs, the cost of marketing research in this field is modest when compared to that of production research. The 1960 budget of ARS was $67,722,000 for economics and statistics and marketing services, and of AMS for marketing research $8,976,000, with some exclusions and inclusions. The four divisions of marketing research of AMS are market development, marketing economics, market quality, and transportation and facilities. In this fourth division are four sections, of which the one of efficiency in wholesale and retail methods is a particular interest of our Advisory Committee on Food Distribution Research and Marketing.

6. It has proved the system of advisory committees does function in better marketing and distribution by constructive criticism and evaluation of all research projects, with 18 commodity committees and 7 functional (i.e. ours). The Chairmen met in Washington last year to study and develop a better functioning system, including member qualification, methods and duties. These committees are guided by a policy committee, the majority of whom are representatives of farmer groups.

II. The foregoing six ways on how the farmer is helped leads to the question of how the program of public research reduces marketing costs:

1. It fully recognizes the wisdom and intent of Congress. In section 202, title II, of the 1946 act, the clause "to the end that marketing methods may be improved," "that distribution costs may be reduced," gives definitive meaning to the 1946 act. Section 203 directs the Secretary of Agriculture to foster research in "distributing and marketing agricultural products," then spells out 13 ways to do it.

2. The marketing of food costs over $30 billion annually and employs 5 million people. In the last 10 years these costs have increased 35 percent. But all the component costs have increased substantially more. For example, labor, which accounts for 50 percent of the marketing costs, increased its hourly earning 70 percent, equipment 65 percent. Glass containers went up 68 percent, metal 54 percent, transportation 40 percent. The food distribution industry has been able to absorb so large a share of rising marketing costs because of (*a*) increased labor productivity, (*b*) more effective management of materials, equipment, and facilities, (*c*) better maintenance of product quality and decreased waste. The pro-

gram of food distribution research of USDA has contributed materially in bringing about increased marketing efficiencies. Cases are cited to illustrate research results that have helped hold down food prices at retail by hundreds of millions of dollars. The statements are from responsible officials in the firms affected. Although the retail store illustrations are confined to the produce department, similar research and accomplishments have been obtained for other departments.

Case 1. A major chain shifted position from a loss position to a profitable department "without increasing our retail markup" primarily through improved handling, quality, and waste reduction. It gives the USDA research program full credit.

Case 2. A New Hampshire independent retailer says that as a result of following the USDA program its sales increased 4.8 percent; shortage reduced 1.6 percent; labor cut 3.2 percent; man-hour sales up $4.53; supplies down 0.7 percent of produce sales; total savings of $13,400 per year.

Case 3. A New York State local chain in one of its stores which followed the USDA program enjoyed a volume percentage increase twice the rest of the chain.

Case 4. The results of following the USDA program in the State of Delaware was reported by the persons in charge of the program: "Increases in produce volume of from 10 to 45 percent have been reported by at least 15 chain and independent firms where extensive analysis and improvement in methods were made. What is more important, however, is that operating costs were cut sharply. In one such supermarket, where backroom work simplification practices were instituted, sales climbed 35 percent with exactly the same labor input, and personnel still considered their work easier than before."

III. How cooperating with USDA research helps a distributor:

1. By the use of time and method studies on the job by USDA scientists. After the project is authorized by the advisory committee the researchers get the facts in the field working with cooperators in all the types of distribution.

2. "Indicative of the effectiveness of the USDA research at the wholesale grocery level has been the reduction of wholesaler markups ranging from 10 to 12 percent in the 1947–49 period to 5 to 6 percent in 1959. This was accomplished largely through increased productivity of labor and more effective management of equipment and facilities. Detailed records used to measure the effectiveness of following USDA research results showed that tons of merchandise handled per man-hour were increased 26 percent in six modern warehouses and 55 percent in nine smaller and less modern warehouses. In one case tons per man-hour was increased from 0.43 ton to 1.61 tons for an annual savings of $80,000. An average for a large number of warehouses shows an increase in tons per man-hour from 1.25 in 1948 to 2.01 in 1958."

IV. The USDA research program not only helps the farmer and helps the consumer but also complements and inspires private research to use the scientific approach and expand their activities. To buttress a better future for American agriculture and our American way of life, the several thousand scientists employed by the U.S. Department of Agriculture and the many thousands by private industry are dedicated to the goals of better living through better quality and better merchandising. Ten years hence wholesalers and retailers will have learned more of the "how" and made profits from the "what." The dissemination and the interpretation of public and private research will furnish answers quickly and correctly to pressing problems. The little man is not handcuffed in this field by his size or stature but bypassing opportunities may mean the difference in success and failure. Trade associations will make major objectives of disseminating the results of public research, may even employ a staff of their own. Wholesalers and retailers first question of manufacturers is not about quality or price, but "how" to move the goods profitably. Increasingly there will be a call for useful ideas, for checks on validity of members' own research (by whatever name it is called), for planning definite programs for the future study, for increasing and backing to the hilt both public and private research. The next decade will also bring greater recognition to these dedicated men who are looking for the right answers to problems.

V. Although it does not come within the province of our advisory committee to discuss budget matters, Under Secretary Miller, Deputy Administrator Dr. Herrmann and his assistant, Dr. Trelogan, have been kind enough to lend a friendly ear to a committee which for 9 years after passage of the 1946 act was only ad hoc, but which was established in 1955. I thank you for your attention today, because the total budget implications of USDA represent a

responsibility and challenge of unprecedented importance to our country. Looking ahead for the next 20 years, the food business and the farmer must increasingly look to effective research for sound and prosperous growth.

Mr. RAGLAND. I would like, however, in the few remaining minutes I have, to try to answer any questions which you gentlemen might have. I can summarize in a few words what this statement is.

Mr. MARSHALL. We would appreciate that.

Mr. RAGLAND. In line with what I think is the philosophy of the 1946 Research and Marketing Act, I believe that everything that we as an advisory committee do should be oriented from the standpoint of what our marketing research program is going to mean to the farmer. I think that is basic. I have six reasons given in this statement on how marketing research helps the farmer. I can give them to you if you like or I can pass on.

Mr. MARSHALL. I think probably you might pass on, as we will have that in the record.

Mr. RAGLAND. Yes.

Then the next thing I tried to cover leads to the question of how the program of public research reduces marketing costs. That is what we are all vitally interested in, and I have a number of illustrations of how it does it, a number of case histories, and I could give you my own case history.

Thirdly, I discuss how cooperating with USDA research helps a distributor like me.

Fourthly, I discuss how the USDA research program not only helps the farmer and helps the consumer but also complements and inspires private research to use the scientific approach and expand their activities. I think that is most important.

Then, fifthly, I compliment some of the people on the Hill, in Agriculture, who have—although this question of the budget does not come in their province—been friendly to our interests, which includes Under Secretary Miller, Deputy Administrator Dr. Herrmann, and Dr. Trelogan.

Gentleman, that is my statement.

Mr. MARSHALL. Thank you, Mr. Ragland. We appreciate your appearing before the committee.

Did you have a statement, Mr. Smith?

STATEMENT OF MR. HAROLD O. SMITH, JR.

Mr. SMITH. No. I might just comment on the fact I know we are all trying to help the farmer; and certainly you can produce, but unless you market, and market profitably and successfully in volume, you do not get the returns you should get from your labors.

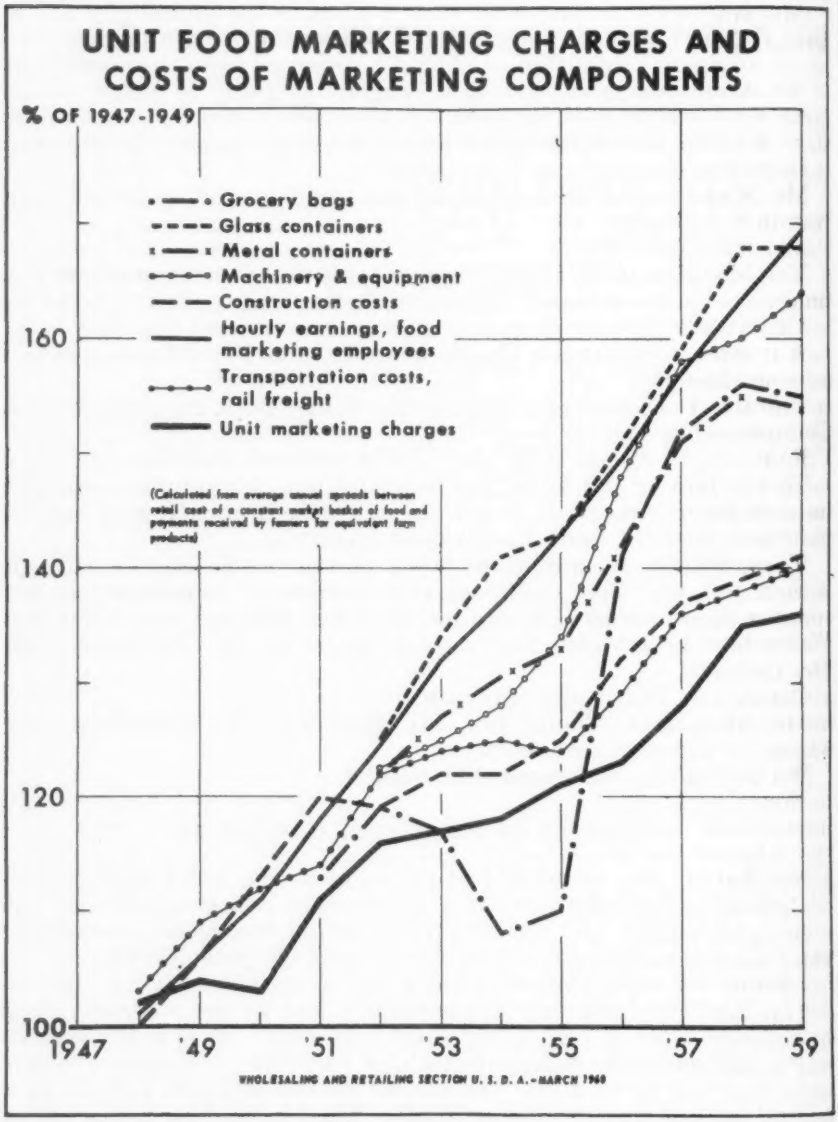
I think the main thing the farmer is up against today is that he has learned the know-how in production, but we are still struggling with distribution of high quality and fair price. That is the area in which, although the independents and corporate chains and everybody is trying to do a job, you cannot do this research job as can a neutral agency like the Government. They have done a marvelous job, but if we are going to move agricultural products so that it will be profitable to the farmer, we need all the research we can get in the field of distribution.

Mr. MARSHALL. We certainly appreciate your coming before the committee.

Mr. RAGLAND. May I add this chart to my paper. It goes to prove what Harold Smith is talking about.

Mr. MARSHALL. We will place it in the record.

(The graph follows:)



Mr. SMITH. We appreciate your permitting us to appear before you.

Mr. MARSHALL. We appreciate your coming.

FRIDAY, MARCH 18, 1960.

EXPORT OF FLOUR

WITNESSES

CYRUS S. KAUFFMAN, THE KEEVER STARCH CO.
CHARLES KURTZ, NATIONAL INDUSTRIAL PRODUCTS CO., COLUMBUS, OHIO
WILLIAM C. GORDON

Mr. MARSHALL. The committee will be in order.

At this time we are pleased to have before our committee Mr. C. S. Kauffman, representing the Keever Starch Co.

Do you wish to make a statement to the committee, Mr. Kauffman?

Mr. KAUFFMAN. Mr. Chairman, this is Mr. Charles Kurtz of the National Industrial Products Co. I will ask him to present the statement.

Mr. MARSHALL. We will be glad to have your statement at this time.

Mr. KURTZ. Thank you.

We respectfully request the committee to withhold funds for subsidizing the export of flour until "flour" is defined according to Federal specifications now used by every branch of Government except the Commercial Export Branch of Commodity Stabilization Service, USDA.

This request is presented by National Industrial Products Co.and its subsidiary, the Keever Starch Co., known in the trade as an industrial processor of wheat products.

Please note that this petition does not in any way oppose the export of flour but is a request that "flour" be defined according to Federal specification N–F 481–D used by all other Governmental agencies. We realize that members of this committee come from wheat- and flour-producing areas. To those members particularly we would call attention that the granting of this petition would increase the domestic use of wheat for industrial purposes but would not affect the export of wheat.

We are not against the export of flour at all. We just think it should be done in a more orderly fashion. We as taxpayers are just as much interested in the export of our wheat as you are, but we do not believe the administration of the law by the Department of Agriculture accomplishes the proper purposes.

Currently the subsidy is paid under GR 346 USDA on—

> Wheat flour (including clears) derived from conventional milling practices which are generally accepted in the milling industry in the United States as representing a 72-percent extraction operation.

This refers to a milling process not a product. There is no way to test the flour on which subsidy is paid as there is no specification to test against. The exporter certifies as to the product exported, for which he requests the cash subsidy, currently around $1.84 per hundredweight. There is no mention in there of grades or types of flour.

The net result is to—

1. Distort the price and supply of low-grade flour referred to in the trade as high ash flour; or sometimes referred to as the

lower grade residuals resulting from producing the high-grade, more costly flour;

2. Retard the growth of industrial use of wheat in the form of low-grade flour;

3. Cause the importation of wheat gluten, which is a byproduct in the manufacture of starch and which is sold to bakers and food processors.

Besides causing distortion in price and supply, the general effect of present methods of paying subsidy is to increase the cost to taxpayers by exporting under subsidy a type of wheat product that can find a growing market in the United States.

EXPLANATION OF INDUSTRIAL USERS OR PROCESSORS OF WHEAT AND WHEAT PRODUCTS—OUR INDUSTRY

For years our company and industry—of which there are about five members now—has been using the high ash wheat flour for the manufacture of—

Wheat starch: The wheat starch granule is of a different size than those of other grains, and is therefore desirable for different uses than other grain starches.

Wheat gluten:

(*a*) Used by bakers to strengthen some of their doughs;

(*b*) Used by food processors to add more protein to their products;

(*c*) Used for monosodium glutamate; this use is fast disappearing—in fact, I think it has disappeared—the distortion in price of high ash flour has been a major factor in the switch to synthetic processes.

Currently our company is importing gluten, 30,000 pounds per month or more of the gluten product.

Total imports by all companies has been at the rate of 2 to 3 million pounds annually in past years, although the current rate is not known to us.

WHY IMPORT GLUTEN?

The answer is simple: it is less expensive to buy gluten from Europe, Australia, or Argentina than it is to produce it in this country. Conversely, exporters can make good profit by exporting high-ash flour. The same subsidy applies on low-grade, high-ash flour as on the high-grade flour.

WHY NOT APPEAL TO THE DEPARTMENT OF AGRICULTURE?

We have done so over a period of 5 years. In each case we have received confusing, complicated letters which we cannot understand. About a year ago we asked the chairman of this committee to assist us in getting some clarity. I believe we can say with reasonable accuracy that he could not understand the reply. That is not surprising—neither could we, or anyone else in our industry.

This suggests that the complicated replies over the years were deliberately confusing, or were being used to cover up the present methods.

In our business experience we have always found that complicated processes can be simply stated if there is a desire to do so.

Agriculture says they cannot change what they are doing; it would make too many people unhappy. But there are specifications on every bit of flour made in the United States. We have here a copy of the specifications used by every department of Government except the boys who are paying the subsidy.

The remedy is available now. Federal specifications are in use now. Under standard practices the U.S. Government requires an inspection of all flour purchased. While a subsidy payment is not a purchase, it is an expenditure of Federal funds.

We respectfully ask that subsidy on flour be authorized only upon flour as defined by Federal specification.

Mr. MARSHALL. In connection with the specifications of American flour, is there a great demand for that type of flour on the foreign markets?

Mr. KURTZ. We do not know. I am not an expert on flour. I have bought about a half billion pounds of flour in my day; so I know what I am buying, but what other people do I cannot tell you. Our whole basis of argument is that if flour were defined then the Government would have some means of knowing what was going out of the country. The figures that the Department of Agriculture issues as the total wheat they have exported are not correct because they are using a system that does not bring out the fact they are exporting domestically ground flour and not flour for export.

Mr. MARSHALL. How long has this program been going on for this N–F 481–D?

Mr. KAUFFMAN. I couldn't tell you the origin, but I know it is at least 30 years. In that period it has been modified.

Originally it was N–F–481. The D indicates there have been four modifications since its origin. Those modifications are relatively slight in reference to protein, et cetera. What it does do is define flour of various types, then everything else beyond that is residual and has a specification of its own, which are what we call the residual products.

I have been down here with the Government for awhile, I would say about 14 years and I know that we used to use this specification when I was with the War Food Administration and when we shipped a great deal of food overseas. This was in existence then. I believe it is still D. I am not too certain about that, but I think it was D then.

Mr. MARSHALL. Do you know of any instance where the foreign users of this flour have objected to it because of its quality?

Mr. KAUFFMAN. It isn't a matter of them objecting to use. May I it this way: We all know that all of wheat is edible. We know that even some of the middlings, as we call them, or red dog, or shorts, which in this country we call feed, make very desirable flour for certain people in foreign countries. They like it and frankly, it has much more nutrition.

Our point lies, if I may add this, that if we define flour and pay a subsidy, fine. If we have what is distinctly another type of flour, which in this country we would not even call flour, there is nothing to stop developing the subsidy, which would equalize the payment for these—we hate to call it low grade, but we have to do it, equalize the low-grade flour at the price with the foreign.

There is nothing to prevent subsidies. They can be used to equalize domestic prices with export so if I can make that distinction, all we are asking is they define flour and if they have some of these lower grades, they want to export, which might be very well, then OK, have a subsidy on that grade defined which will make that domestic price equal to the foreign. We do that in wheat, Mr. Marshall.

Mr. MARSHALL. What your feeling is, that it is difficult for the flour milling industry to mill the kind of wheat according to specifications to be sure that you obtain an equal advantage in the subsidy rate. Is that the gist of what we are getting at?

Mr. KURTZ. I would not think so. The problem is this: The subsidy is paid in identical amounts on every grade of flour regardless of its market value. The point of the subsidy, I believe, was to compete with other exporting nations but we buy a particular type of flour for which we pay about $4.50 a hundred on today's market. If they export that, they get the same identical subsidy as if they were exporting a $7 or $8 flour and they do not need that to compete in the foreign markets. The use that it is being put to is this: In milling for American domestic use the mills will mill a patent flour which is the highest grade. Then they will sell the so-called clears or lower grades to other exporters who export that and get a full subsidy on it.

That has not created one pound of the export of wheat. It is just a means of dumping domestic production.

Mr. MARSHALL. We thank you very much.

MARCH 18, 1960.

AGRICULTURAL RESEARCH AND MARKETING SERVICE

WITNESSES

DONALD N. McDOWELL, DIRECTOR OF WISCONSIN STATE DEPARTMENT OF AGRICULTURE

PARKE BRINKLEY, COMMISSIONER OF AGRICULTURE, VIRGINIA

Mr. MARSHALL. The committee will come to order. We are very pleased to have before us Mr. Parke C. Brinkley, of the State of Virginia, and Mr. McDowell, appearing in behalf of the National Association of the State Departments of Agriculture.

We are glad to have your statement at this time.

Mr. BRINKLEY. Thank you very much, Mr. Chairman and gentlemen. We would like to do this in an informal manner if we might. We have no prepared statement.

Mr. MARSHALL. You may proceed in any way you wish. I might say that this committee sincerely appreciates the fine way in which you made your services available in the State of Virginia in order that we could have a better understanding of some of our hog problems We were quite impressed with the inspection service that you were carrying on in Virginia.

Mr. BRINKLEY. Thank you, sir.

Mr. MARSHALL. If you wish to make it, we would like to have you make a little comment about the success of that part of your program and how it is progressing.

Mr. BRINKLEY. We will be delighted to. We are very proud that you would come representing this committee and visit with us and see our work. I was telling Don, today, something about it.

Gentlemen, I am chairman of the executive committee of the National Association of State Departments of Agriculture by virtue of the fact that I am immediate past president of that association and Don McDowell, here, is director of agriculture in Wisconsin and he preceded me in both offices immediately, so, needing some help down here today, I called Don and asked him if he would come down and visit with us.

We would like to discuss several projects that we feel are tremendously important to the Nation's agriculture.

On yesterday, Dr. Bendix, the State veterinarian in Virginia, and representing the U.S. Live Stock Association, was before your committee and made a presentation and we first of all want to say "Amen" to his statement. We helped in the preparation of it and were quite familiar with it, and agree completely with the statements that he made.

We are also quite concerned about the TB in cattle in the United States, and particularly in the Great Lakes area. Presently, the U.S. Department of Agriculture has some $2 million appropriated to them for that work, but they are in the fortunate position, we think, of having the ability to use some brucellosis money on TB if an emergency arises.

We think that a great deal of emphasis needs to be given this TB question and to follow it very closely.

Thirdly, we would like to talk just a minute about the matched fund program of the marking work under your marketing work under your Research and Marketing Association. Frankly, I do not know why, none of us know why we haven't been able to quite break the barrier on that particular line of work.

We fear it might be some misunderstanding or some misconception or some falling down on our part, anyhow, that we have not been able to get that appropriation increased over the years and we feel that it is a terrifically important phase of our work and a terrifically important service to the Nation's agriculture, to the Nation's farmers and yet we have not quite been able to break through. I think the appropriation is $1,195,000, roughly, now. There is, in round figures, about $2½ million in the States for matching purposes for this and our national association, in its convention last October in Nashville, went on record very strongly asking us and directing the executive committee—and I am here representing them and at their direction—to come in and ask you gentlemen for $555,000 additional dollars for that, an increase of that amount of money, half million of which would be for matched fund purposes and $55,000 for some technical assistance to the States in the way of manpower.

Mr. MARSHALL. If I might interrupt at this point, we appropriated in 1952, $520,850 and this fiscal year the request is for $1,195,000, so that in this period of time the Federal Government has for practical purposes doubled its allotment.

Mr. BRINKLEY. Yes, sir, that is right; but that has not nearly kept pace with the demands from the State's standpoint, nor as I understand it, with increase for the same type money with extension service, or experiment stations; whereas it is actually entirely different, the

work in the State departments of agriculture is more an action program, the studying of marketing problems and getting them solved.

Maybe we had better not get into examples, but there are a great many examples whereby we have been able to take some of this money and do a great deal of almost immediate good.

When I said "immediate," I mean in the period of 2 or 3 or 4 years, to really remedy a situation.

Then the fourth thing that we would like to discuss just very briefly with you I would rather Don discuss, because he is a little closer to it than I am. I feel just as strongly about it, but he is right up there in the middle of the new problem and that is this livestock and plant quarantine inspection at the Great Lakes ports and St. Lawrence Seaway ports as well as the international ports that are coming into being.

Mr. MARSHALL. I might say at that point that this committee has been quite concerned about that problem up there.

Mr. BRINKLEY. We think it is a terrific problem.

Mr. MCDOWELL. I have a prepared statement along with Mr. Fletcher at 3 o'clock this afternoon. Maybe we should hold that one until then.

Would the committee prefer?

Mr. MARSHALL. You may proceed whichever way you wish. If you would prefer having your statement put in the record, at this point, and then highlighting it, that would be all right. We will hold it until then.

STATEMENT OF MR. DONALD M. M'DOWELL

Mr. MCDOWELL. I would like to make a statement supplementing what Mr. Brinkley just made, on two phases, one on brucellosis. We plan to put together the total program for brucellosis. We plan to put together the total program for brucellosis eradication. It is a very demonstrated fact that by putting these funds in adequate amount now, over a long period of time, we will save much money, both from the Federal budget and from State budgets by doing the job as it comes along. I am sorry to refer back to our States, but the States of Minnesota and Wisconsin and many others went all out in the brucellosis-control program; put adequate funds in at one time; and we have been able to reduce our budgets way down at the present time and so, reemphasizing the need for these funds to come back up to carry it at about the $22 million figure, and the importance of that figure, over $20 million is to maintain the program at an adequate level rather than having to drop down in the program and coming up.

It will take us an extra 10 years to achieve the same status that we could make in the next 3 or 4 years if we had adequate funds to do it.

The other comment is just to supplement what Mr. Brinkley said on the matched-fund program. In the early days of the matched-fund program, back in 1952 when there was a $5,000-plus appropriation, States had a hard time absorbing even that amount because,

as you know, in State legislatures to get matching funds we have to anticipate several years ahead. It was a new program. This service program to the various marketing phases was new and it was for that reason that it took States that long to get their legislatures brought in with the State appropriations for matching.

Those funds, as Mr. Brinkley pointed out, are adequate today to the extent of double what matched funds are available from the Federal.

Mr. BRINKLEY. Mr. Chairman, you are kind enough to refer to our program in Virginia on marketing. You asked me if I might comment a little about that. I will say one thing to you that I think you would be interested in. The feeder pig sales of the graded pigs have been correlated now on a good many different lots and 79 percent of them have stood up as graded through slaughter by carcass grade. I was quite interested to see how the No. 2 and the No. 3 hogs were going to hold up. I figured that the No. 1 pigs would be all right, that we could grade them, but when we got into what was going to be No. 2's and what was going to be No. 3's I was frankly skeptical, but the correlation has been real good with them, too. If we call them No. 1, or No. 2, or No. 3 at 40 pounds in the feeder pig sale, and when we get to the carcass in the packinghouse, they still hold up.

Mr. MARSHALL. You feel that grading program, whether it be on pigs or lambs or feeder cattle has reflected back an increased farmer who is producing the better grade?

Mr. BRINKLEY. Yes, sir. It certainly has. We figure it is just as fundamental in livestock as it is in apples or potatoes or anything else.

Mr. MCDOWELL. Adding one more thing, if I may, that one of the important parts of this matched fund program is that it is geared to immediate help to agriculture. It is definitely returning dollars and cents into the farmer's pocketbook through some of the work that is being done and in most of the States where this work is done it is geared for immediate relief; much of it in pioneering and market news. I know in the Midwest in our feeder pig markets in Wisconsin, and I am sure it is with our other States in that area, the slaughter livestock we do not have a coordinated market news information. Our livestock industries in the Midwest are badly in need of it.

We have been visiting about it lately and much room for improvement is needed. This matched fund program is one that has helped.

Your program was based on the matched fund program in getting this started and possibly one many of us in the Midwest can learn from. This market information is made available to other States from this matched fund program.

Mr. MARSHALL. Are there questions?

Mr. NATCHER. No questions.

Mr. MARSHALL. Mr. Andersen?

Mr. ANDERSEN. No questions.

Mr. MARSHALL. We appreciate very much your coming before the committee. We are always interested in having you.

53146—60—pt. 4——17

MARCH 18, 1960.

SOIL CONSERVATION SERVICE

WITNESS

ARTHUR L. DARSEY, CHIEF, CALIFORNIA STATE DIVISION OF SOIL CONSERVATION

Mr. MARSHALL. At this time we are very, very pleased to hear from Mr. Darsey, Chief of the State of California Division of Soil Conservation Districts. Mr. Darsey has been before this committee before and has always given us a very fine statement concerning the activities of the Soil Conservation Service in California.

We will be glad to hear from you at this time.

Mr. DARSEY. Thank you, Mr. Chairman, and members of the committee. It is a pleasure to be back with you today.

I would like to express the sincere appreciation of Mr. DeWitt Nelson, Director of the Department of Natural Resources, the California State Soil Conservation Commission for this opportunity to bring their thinking to you through me.

By way of parenthesis, Mr. Nelson is on Secretary Benson's Advisory Committee on Soil and Water Conservation and is very interested in this problem as we see it in California.

In previous statements I have presented to you what we are doing in California in cooperation with the Soil Conservation Service in this important program. I have stated to you before and I will state to you again that, although we are putting some money into this program, which we feel makes us a partner in this deal, the services that we are giving to soil conservation districts are not adequate.

Another thing we are concerned about and would like to talk with you about today is the critical need for speeding up land use capability soil surveys, and of course we are concerned about the fact that the present budget does not have a provision for appropriation for new soil conservation districts.

We would like to say that in California this year we have an appropriation estimated at $590,000 for assistance to soil conservation districts and we would like to emphasize that we feel that this is a substantial appropriation on the part of the California Legislature and we feel that we are not amiss if we state that we are contributing this amount to this program that you are so interested in.

The money that is appropriated to the Division of Soil Conservation allows us to employ 44 people. About half of these people are soil conservationists that are working with soil conservation districts. They are assisting the districts in some of the nontechnical aspects of this work.

May I say that as I go along, gentlemen, if you care to interrupt me, that would be very fine.

Half of our employees are working with the soil conservation districts, counseling, advising with them on such things as comprehensive watershed development, equipment management; they assist in the preparation of reports and publications, soil conservation district directors, as we call them, supervisors throughout the Nation need some assistance on fiscal, legal procedures, and the likes of that.

Mr. MARSHALL. I think I might interrupt you to say that this committee has been a committee that has been very much interested in

soil conservation work and watershed work and my colleague from Minnesota, Congressman Andersen, is one of the authors of the original Watershed Act.

Mr. DARSEY. This is good.

Mr. MARSHALL. I am saying that so you will know you are among friends here.

Mr. DARSEY. Fine. Being among friends, we would like to say that this program is going fine in California. With this assistance, we are putting into it and with the fine assistance this committee has made available to the Soil Conservation Service in California, and the rest of the Nation, it is going fine.

We would like to tell you one or more things we are doing at the State level. We are very proud of this, our first publication. None of you gentlemen are from an area where you have an alkali problem, but this is a serious problem in many parts of the country. This is a publication that will help a lot of farmers solve some of these problems.

It is published by the State of California and the technical work was done by the Soil Conservation Service. We contribute half of the cost of the operation of a plant materials center in California.

The thing I think you will be interested in, in California we have a $100,000 annual recurring appropriation. This may startle you gentlemen, that there is such a thing as a recurring appropriation of $100,000.

This is used as grants to soil conservation districts for doing soil conservation projects that just cannot seem to be done in other ways.

Last year the Soil Conservation Commission granted moneys to about 15 soil conservation districts for doing a number of soil conservation projects. They did not qualify under ACP. They were projects that a number of people were involved in and there was community benefit and, therefore, we thought in the State's interest.

Even though the State of California has 44 people in this program, we still feel that there aren't enough people in the soil conservation program to do this job. Recently, we made a survey in California. We have attached it to the back of this statement. It indicates that if we should have the people that are needed to do the job in California, it would be 181.4 additional people.

Now, let us talk about the rest of this country of ours. I attended the national meeting of the NASCD in Louisville in February. I talked to a lot of people there, from your own States and all over the Nation.

It is my considered opinion that this problem exists elsewhere. It exists everywhere. This is not a problem peculiar to California.

We heard many people, friends of mine, people I have known a long time from other parts of the country, say that the Soil Conservation Service is doing a fine job, but they just aren't doing enough of a job.

With respect to the soil surveys, not only do we feel that we need additional people to do the day-to-day job in soil conservation districts, of helping farmers get this soil conservation work on the ground, but we talked to people in Louisville, we talked to people in Portland 2 months ago, and they are faced with the same problem we are so concerned about in California, this spread of population. It is eating up some of our best agricultural land. It is pushing farmers up on

the steeper lands. It is pushing them onto alkali lands in California and in the West. It is pushing them into hardpan soils where they have innumerable additional soil conservation problems.

Now, if we had these surveys finished, these land use capability surveys finished, we believe the county planning groups and the city planning groups and the State planning groups could in some way encourage people to get on the poorer soil for these additional developments.

County people in California come to us and ask for a soil survey so they can make a plan and try to encourage industrial development on poorer soils. We do not have anything like a plan for them to go by in the way of soils.

I brought today with me and you have in front of you a copy of a map that shows the surveys that have been made in our Nation and it startles me to see how much yet remains to be done in your own States, gentlemen, but particularly in the West. There are a lot of white spots on here. If there was some way to speed up these soil surveys that we would have land capability understanding of our agricultural lands, we feel this would be of tremendous value.

We have been saying that these surveys will be finished in 15 years, but we have been saying this for a long time.

We said we are concerned about this, but we would like to say in California we are doing a little something about this, not an awful lot, but we have an appropriation out there of $110,000 a year and we are making a survey in the Division of Forestry in the Division of Natural Resources. I show you a map that is not a real soils map because it is in mountainous country.

The purpose of this survey is to identify the vegetation and correlate it with the soil. This survey was made in cooperation or consultation with the Soil Conservation Service, the university. They are trying to identify what tree will grow in what kind of soil. It is a survey that the Soil Conservation Service would not make in this detail because there is no real reason for them to do that, as they do not get into that detail.

This is a very helpful thing. We are surveying about a half million acres a year. There are 24 million acres to be done. This year the Division of Forestry is going before our legislature asking for additional funds. We merely point this out, that we are doing this part, trying to help ourselves on this job.

Now, the one thing that we have in California that you do not have in the whole Nation is this business of new soil conservation districts. This is the real reason I came by to talk to you gentlemen.

We are again extremely sorry to see that there is no mention in the President's budget for moneys for new soil conservation districts.

Last year we talked to you gentlemen, and due to your efforts and the support that you got from California people and others in California, we were able to hire 15 additional technicians to take care of the 12 new districts that we got this year. Next year we expect to get 11 additional districts.

We do not have enough help in soil conservation districts. If we get these 11 new districts in and have to spread the present thin coverage to them, we are just worse off.

In closing, you gave me a half hour today. You have a lot of things on your mind.

I would like to submit my statement for the record, Mr. Chairman.

Mr. MARSHALL. Without objection, that will be made a part of the record.

(The statement referred to follows:)

STATEMENT OF ARTHUR L. DARSEY, CHIEF, CALIFORNIA STATE DIVISION OF SOIL CONSERVATION

Mr. Chairman and members of the committee, my name is Arthur L. Darsey, chief of the Division of Soil Conservation in the California Department of Natural Resources. I wish to express the sincere appreciation of Mr. DeWitt Nelson, director of the department of natural resources, the California State Soil Conservation Commission, as well as myself, for again giving me the opportunity to meet with your committee.

As chief of the division of soil conservation, I serve as secretary to the California State Soil Conservation Commission, composed of seven farmer members appointed by the Governor. This commission is responsible for the development of soil conservation policies within the State as well as for the guidance of the division.

In previous presentations before you, I attempted to bring to your attention the problems and accomplishments in soil conservation as we see them in California. Today I would like to continue this same pattern as follows:

First. Show you how California is cooperating with the Federal Government in this soil and water conservation job to the extent that it has become a true joint effort.

Second. Point out that these combined efforts are still inadequate in view of the urgency of the need for technical assistance.

Third. Call your attention to the critical need for speeding up land use capability soil surveys.

Fourth. Urge your assistance in providing appropriations for new soil conservation districts.

We in California who are engaged in soil and water conservation work believe that these above-mentioned problems still exist. My purpose, therefore, in requesting permission to appear before you is to bring you up to date on the progress California has made in cooperation with the Federal Government in the soil and water conservation program, as well as call your attention again to the inadequacy of these combined efforts in filling the increasing need for technical assistance to soil conservation districts.

To elaborate on my first point above, I would like to explain that the functions of the California Division of Soil Conservation, carrying out the policies of the State soil conservation commission, has at the State level objectives very similar to those of the Soil Conservation Service at the national level. These objectives are both coordinated and complementary so that there is no duplication or overlapping of services.

The 44 employees of the division work directly with the soil conservation districts. Approximately half of these people are assigned the responsibility of counseling and advising the 164 soil conservation districts in nontechnical matters that are not handled by the Soil Conservation Service. This work involves the developing of districtwide comprehensive plans for soil and water conservation, promoting cooperators' interest in district programs, extending district boundaries, encouraging the adoption of complete watershed development plans as needed, securing cooperation of other agencies, developing practical equipment management, preparing reports and publications, explaining fiscal procedure and assisting with other nontechnical problems of the soil conservation districts. The remainder of the division's employees are involved in watershed reconnaissance studies and the preparation of work plans in cooperation with the Soil Conservation Service under Public Law 566.

California is furnishing $35,000 annually as matching funds for support of the Soil Conservation Service's plant materials center at Pleasanton, Calif. We have jointly published a bulletin reporting on some of the work accomplished with combined funds at this plant materials center. This bulletin, the yellow-backed folder you have in front of you entitled "Grasses, Legumes, and Cultural Methods for Improving Pasture Production and Aiding Conservation on Saline-Alkali Land," is currently being distributed to all interested in this type of work.

The State soil conservation commission, from an annual appropriation of $100,000, continues to make grants to soil conservation districts for small investigation, demonstration, planning, and construction projects.

To summarize, the State of California's actual and proposed financial cooperation on the soil conservation program for the 4-year period 1958 through 1961 is as follows:

1958 (actual)	$238,730	1960 (estimated)	$590,508
1959 (actual)	486,038	1961 (proposed)	625,911

With respect to my second point, despite the contributions made by the State in taking over the major portion of the nontechnical phases of assistance on the soil conservation program, these combined Federal-State efforts are still inadequate to supply the technical assistance needed by the districts. New districts continue being formed in California, and inclusions of land to older districts are being made in order to keep them in an active status. In other words, our program is accelerating at the same rate as it has for the past several years. A recent survey has been made showing that California's needs to adequately service soil conservation districts call for the equivalent of an additional 181.4 man-years of technical personnel. A copy of this summary is attached.

From conversations with soil conservation people that visit California and with Californians who go to other parts of the country, we find that the problem of a shortage of adequate help is nationwide. All report that the Soil Conservation Service is going a good job but that there is just not enough manpower to move as fast as the program demands.

With respect to my third item not only is there a great need for additional Soil Conservation Service technicians to carry out the day-to-day work with farmers in soil conservation districts but there is a critical need for completion of land use capability soil surveys. Attached is a map showing completed soil surveys as of January 1, 1957, from which it is seen the magnitude of work that yet needs to be done in order to complete this important information upon which all soil conservation work is based.

Nationally, we continue to say that the soil survey job will be finished in 15 years. This has been the objective for some time. At the present rate, however, the making of soil surveys and publishing of soil conservation land use capability maps will take much longer than 15 years. Actually, we need these surveys now in order to fill the need for farm and ranch planning and particularly to have this information available to help county and State planners to cope with the problems arising with the tremendous nationwide increase in population. This committee, of course, is thoroughly aware of the urban-spread problem common to the Nation. The increase in population has, as you know, resulted in a large increase of airports, highways, offices, industrial plants, stores, and subdivisions for homes. In California, as in many places throughout the Nation, some of our best agricultural land has been used in taking care of the needs for this growing population. In order to properly advise on the best use of land for urbanization and agriculture, there is a great need to have statewide land use capability maps available as soon as possible.

California is doing something in this line. The division of forestry of the department of natural resources is involved in making soil vegetative surveys. I have handed you a report on this work and a sample of one of the surveys printed. This survey is an inventory of the soils and vegetation of foothill and mountainous lands of the State and provides basic information for management decisions in the use of these lands for timber, water, forage, or other purposes.

Since its initiation in 1947, a total of 4,853,000 acres of privately owned land has been inventoried by this soil-vegetation survey. There remains, however, 24 million acres yet to be done.

This cooperative soil vegetation survey has been completed in accordance with technical standards practiced by the Soil Conservation Service in the national soil survey, so that these findings can be readily incorporated with and made part of the overall national program. All work has been coordinated with soil surveys of the University of California and Soil Conservation Service, so as to avoid duplication of the effort or area surveyed.

Now to the fourth and final point mentioned in my opening remarks. In the last 2 years, this committee was instrumental in increasing the appropriations for the Soil Conservation Service to assure some additional technicians, as well as to provide technical assistance to new districts being formed.

We are extremely grateful for this increased appropriation which allowed the hiring of 15 additional Soil Conservation Service technicians in our State during the current fiscal year. These new technicians will be able to take care of the 12 new soil conservation districts that we expect to be formed by June 30. However, with the increased assistance from the State in the formation of new soil conserva-

tion districts, we feel that in the next fiscal year California will see an additional 11 districts formed, bringing our total number of such districts to 181.

We are alarmed to find that no additional funds are included in the 1961 budget estimate to permit the assignment of Soil Conservation Service technicians to newly formed districts. It is very important to California that additional funds again be included in the Soil Conservation Service appropriation for these districts. If funds are not provided for additional personnel, either new districts will not receive technical assistance, or it will be necessary to transfer Soil Conservation Service technicians from existing districts, thus spreading the already thin coverage even further and making their workload yet even more difficult. We believe this will be a great deterrent to the soil and water conservation program in California, as well as in all those States not completely covered by soil conservation districts.

We urge you to recommend funds again for new soil conservation districts for the next fiscal year.

In closing I would like to say that I am sure all people in California interested in this important soil and water conservation program would join with me in conveying their appreciation for the excellent assistance the Soil Conservation Service has given to our State through the resources your committee has been instrumental in providing. I hope I have made it clear to you that this appreciation is being expressed through California's appropriations currently being made to further the work of this all-important soil and water conservation program.

Thank you very much for this opportunity of appearing before you.

Summary—Additional personnel needs in man-years, California, 1960

Area	Total needs, man-years	Soil conservation	Soil science	Engineers	Range conservation	Foresters	Conservation aids	Engineering aids	Clerks
1	20.2	1.5	3.0	2.6	-------	-------	3.9	5.2	4.0
2	17.1	2.1	1.2	2.7	0.2	0.3	3.4	5.2	2.0
3	14.2	2.3	1.3	2.2	.2	.1	4.4	3.2	.5
4	12.6	.5	.9	3.2	-------	-------	2.2	4.9	.9
5	22.9	9.5	4.5	2.1	.5	.2	3.1	1.5	1.5
6	13.0	2.6	.1	1.9	-------	-------	1.0	6.3	1.1
7	22.0	5.1	5.8	3.3	-------	-------	4.5	3.0	.3
8	16.4	2.7	4.0	5.6	.3	-------	2.0	.1	1.7
9	43.0	14.2	5.9	5.6	1.0	.5	[1] 14.4	(1)	1.4
State total	181.4	40.5	26.7	29.2	2.2	1.1	24.5	29.4	13.4

[1] Includes both conservation aids and engineering aids. This figure not included in either total for conservation aids or engineering aids.

Mr. DARSEY. I am being somewhat repetitious, but I do want you to know that we in California appreciate very much your feeling about this important program.

We in California feel that this is a national problem. We feel we cannot go to Don Williams and ask him for more help. We would be asking for more than our share.

We are wondering, though, why the Soil Conservation Service appropriation continues to be almost static in a time when the need for agricultural land is getting greater. I say this, notwithstanding the fact that we do have a serious surplus problem——

Mr. ANDERSEN. Mr. Darsey, you have been telling the subcommittee something that we have heard from several different groups lately, and I agree entirely with you. I cannot understand why the budget is brought before us as it is in relation to technical assistance under soil conservation operations. I think it is a very shortsighted point of view.

You might recall that some years back I suggested to this subcommittee that we should increase soil conservation operations by at least $5 million a year as a regular thing until we reached the point where we felt that we had sufficient technical assistance all over the United

States to do a good job. It does make it very hard for this subcommittee, when we are presented with a proposed budget that scarcely keeps operations at the level of the preceding fiscal year, let alone any increase.

I want you to know we are very much in agreement with you. I am sure it is the intent of this subcommittee to do everything we can on this.

Mr. DARSEY. Off the record if I may, Mr. Chairman.

Mr. MARSHALL. Yes.

(Discussion off the record.)

Mr. MARSHALL. Is there anything further which you would like to add?

Mr. DARSEY. No, sir; except I do appreciate very much, and the people in California and I think throughout the Nation, your attitude in this matter and your understanding of this matter.

I would like to say in closing that if you are ever out in California, please come by Sacramento and say hello to us.

Mr. NATCHER. Mr. Chairman, would you yield to me at that point?

Mr. MARSHALL. Yes.

Mr. NATCHER. Mr. Darsey, I just want to thank you for your fine statement, and when you go back to California, tell your people that you heard one fellow say that you always make a fine impression on this committee.

Mr. ANDERSEN. Mr. Darsey, you may also say for me on the record to your people back in California that we find it very helpful for you to come here and sort of back up what we feel is morally right on this question. We need a little backing up, otherwise we begin to wonder whether we as members of the subcommittee are right or wrong.

Mr. DARSEY. Mr. Andersen has a point, does he not?

Mr. MARSHALL. We thank you very much for coming before the committee, Mr. Darsey, and for the fine material that you have presented.

Mr. DARSEY. Thank you, gentlemen.

FRIDAY, MARCH 18, 1960.

RESEARCH ON MULTIPLE AGRICULTURAL USES OF LIQUIFIED PETROLEUM GAS

WITNESSES

WILLIAM D. JOHNSON, FIRST VICE PRESIDENT OF THE KENTUCKY LIQUEFIED PETROLEUM GAS ASSOCIATION
IRVIN F. ETSCORN, SECOND VICE PRESIDENT, KENTUCKY LIQUEFIED PETROLEUM GAS ASSOCIATION
MISS FRANCES L. HOLLIDAY, EXECUTIVE SECRETARY, KENTUCKY LIQUEFIED PETROLEUM GAS ASSOCIATION
PAUL BAUER, COORDINATING CHAIRMAN OF COMMITTEES AND GENERAL MANAGER OF THE BIG THREE GAS CO., LOUISVILLE, KY.
MRS. WILLIAM D. JOHNSON

Mr. NATCHER. Mr. Chairman, with your permission, I would like to present these good people to the committee at this time.

Mr. MARSHALL. We would be glad to have you do that.

Mr. NATCHER. We have with us Miss Frances L. Holliday, the executive secretary of the Kentucky Liquified Petroleum Gas Association. Miss Holliday is from the eastern section of Kentucky and her office is at Tateville, Ky.

We have with us also as the spokesman of this group Mr. William Johnson, of Franklin, Ky., who is from the fine Second Congressional District. He is accompanied by his lovely wife. We also have with us Mr. Irvin F. Etscorn, second vice president of the Kentucky Liquified Petroleum Gas Association of Louisville, Ky., and Mr. Paul Bauer, coordinating chairman of committees and general manager of the Big Three Gas Co., Louisville, Ky.

As I understand, with your permission, Mr. William Johnson will be the spokesman.

Mr. MARSHALL. We would be glad to hear from Mr. Johnson at this time. I might say that as far as we are concerned, we feel real privileged to have on this committee our colleague from Kentucky, Congressman Natcher. He is one of the most respected Members of the House and he certainly is a real friend of the people not only of Kentucky but of the entire United States.

Miss HOLLIDAY. We, in Kentucky, are very proud of Congressman Natcher and think that he does an excellent job.

Mr. ANDERSEN. I might say that I think you people should be proud of Bill Natcher. We are happy to have him on this subcommittee, and we are justifiably proud of the great job he does.

Mr. JOHNSON. We respect the compliments of you gentlemen in talking of our Representative that way. We think the same of him, as you know.

Mr. NATCHER. I want to thank my colleagues.

Mr. MARSHALL. Mr. Johnson, before you proceed, I believe you have some exhibits which you want to leave with the committee, not as a matter for the record, but as a matter of filing them with the committee, which contain certain information?

Mr. JOHNSON. Yes; and also the project which you will not go into, as well as this information.

Mr. MARSHALL. You may proceed with your statement, Mr. Johnson.

STATEMENT OF MR. WILLIAM D. JOHNSON

Mr. JOHNSON. Mr. Chairman and members of the committee, my name is William D. Johnson. I am first vice president of the Kentucky Liquefied Petroleum Gas Association, and own and operate the Red Devil Butane Gas Co. in Franklin, Ky. The persons with me are Irvin F. Etscorn, second vice president, Kentucky Liquefied Petroleum Gas Association, owner and operator of the Big Three Gas Co., Louisville, Ky.; Miss Frances L. Holliday, executive secretary, Kentucky Liquefied Petroleum Gas Association, and partner in Nead & Holliday Liquefied Petroleum Gas Service, Tateville, Ky.; and Paul Bauer, coordinating chairman of committees and general manager of the Big Three Gas Co., Louisville; and my wife.

The Kentucky Liquefied Petroleum Gas Association represents 500 established businesses and through them we represent approximately 250,000 rural customers. This pattern is repeated in each State of the Nation.

We feel our problem before you good people is a national problem and that there will be a national value to come from it.

We recognize that, to service these rural customers with maximum efficiency in utilization of this energy which we are providing, we are badly in need of the advice and assistance of the U.S. Department of Agriculture.

We appreciate very much your providing time for us to meet with you to discuss the place of liquefied petroleum gas in an agricultural research program.

Liquefied petroleum gas, as a source of energy, has wide and versatile usage in both farming and industry. The Office of Civil Defense uses us quite a bit in its programs. It has been proven to furnish a service that is reliable even in times of emergency and storm; and provides the quality of portability which is so beneficial to widely dispersed farm activities.

For example, during the past season, corn in our area was dried using liquefied petroleum gas as the source of energy, with the moisture content being lowered 17 percent from 35 to 18 at a cost of 2 cents per bushel for the fuel. Research is the missing link in making greater economical use of this source of energy. Research on multiple agricultural uses of liquefied petroleum gas would be directed at reducing the cost of production of agricultural products, with the end result being a greater profit-ratio to the farmer without causing an additional inflationary rise to the consumer.

With the growing trend to industrial utilization of agricultural products, production cost must be lowered to compete, and obviously lower production costs will help our farm people compete more effectively in foreign markets. We feel there are so many ways, if we only knew the answer, that we could help produce these products, such as tobacco for one thing, and compete with foreign imports and make our exports greater.

Presently, among the more progressive farmers of our State, liquefied petroleum gas is being used to flame-cultivate corn, soybeans, and tobacco. Flame cultivation reduces the possibility of harmful residue and should be considered and investigated as a means of providing a high degree of freedom from harmful ingredients in farm products, which has been brought to public attention in recent months.

Kentucky farmers using flame cultivation in the control of weeds in field crops have reported an average cost of 60 cents an acre per season. These figures we gave you involve in no way research. It is just our using the product from two individual dealers and we are interested in knowing more and more, and grasping for more information, as well as the farmer. These are just figures that we have had in various cases with which some of the dealers have had contact.

This system of weed control seems to have great potential since it eliminates the laborious task of hoeing, does not damage the plant roots as normal plowing does.

In Kentucky, and I am sure in other States, farmers are asking questions and seeking more information on the use of flame methods of controlling weeds in cultivated crops. Sufficient data is not now available to show how and when to flame the various crops in order to control the various types of weeds. We hit and miss on this right at the present time to see what we can do. It is this information that we hope can become available as the result of further research.

Since weed control is a universal farm problem having a major effect on time and energy required to produce as well as the cost of that

crop to the consumer, such a basic research project on field crops should be started, and as quickly as possible.

Another important area is tobacco curing. As presently practiced, many man-hours are used and much energy wasted in placing of tobacco in high barns, using heat in these spacious barns and removing it from these barns. There is good possibility that much of this labor and energy could be saved through fundamental research on the nature of the physical, biological, and chemical changes taking place during the curing of tobacco.

Present knowledge of the changes taking place during the tobacco cure indicate that effective control (including control of heat, moisture, air velocity, and possibilities of substituting inert gases to control the rate of chemical action during the cure) can regulate chemical and biological changes over a wide range. I am informed that if this information were known, it would be possible to intelligently predict and develop new methods and processes for handling and curing tobacco which would have good possibility of circumventing some of the present operations. Changing the practice of tobacco curing from an art to a science would most likely result in supplanting the present unpredictable and uncontrolled care and high manual labor costs with a cure that can be effectively controlled at less cost.

We found this year, being an extremely wet fall, that the use of gas in curing tobacco was the most inexpensive means that the farmers in our area had found. Yet, there are so many things we do not know that if we did know, it would certainly change the curing of tobacco tremendously, and will also help the price of good, cured tobacco. This year there was a difference of about $1,500 a hundred in our area.

We of the Kentucky LP Gas Association believe in this program so strongly that we have contributed over $8,000 worth of equipment to the agricultural engineering department at the University of Kentucky for use in research. In order to bear a part of the expense, we are willing to continue to contribute for agricultural research. The equipment and fuel are available for use at the present time, and we shall continue to support to the maximum of our capabilities this agricultural research program. We sincerely believe that research such as advocated here would pay big dividends to farm people.

We respectfully request that you consider furnishing funds for such research in order that the Agricultural Research Service and the various agricultural experiment stations may undertake these investigations. I have prepared materials discussing our proposal in detail including a suggested budget, and hope that they can be included in the record of this hearing and considered by the subcommittee.

We thank you for giving us the time to present these views to the subcommittee.

Mr. MARSHALL. Without objection, the material to which you referred in your statement will be placed into the record at this point.

(The material referred to follows:)

ENERGY USES IN AGRICULTURE

Agriculture is the largest single industry in the Nation. Large quantities of energy are used by the agricultural industry in production, harvesting, handling, and processing of agricultural products. Forms of energy available to the farm include human and animal energy; fuel for tractors and motors; heat for residences,

animal structures (particularly brooding), drying or curing farm products, burning unwanted plants; light for the farmhouse and farmstead; power for numerous applications such as elevators, feed grinders, refrigeration, etc. Substituting other forms of energy for human and animal muscle is one of the most significant developments in agriculture during the recent decades. There exist a vast potential in reducing the cost of agricultural products by improving the efficiency of energy use in agriculture.

Improvements in farm production efficiency and the resulting lower cost of production and lower price of these products on American and foreign markets have broad implications. Improvements in farm production efficiency benefits not only the farmer but also the consumer who receives these products at lower prices. Some farm commodities are presently not in a position to compete on foreign markets. Improvements in efficiency are necessary to hold a competitive foreign market, to gain new foreign markets and to improve the competitive position for possible industrial use of our farm products. Operational efficiency, in other words, is essential to an expanding agricultural and industrial economy.

In recent years a new source of energy, liquefied petroleum gas, has been made available in large quantities by our growing petroleum industry. Large quantities of liquefied petroleum gas are available through small liquefied petroleum gas businesses all over the Nation.

For example, in Kentucky there are over 500 liquefied petroleum gas businesses with many storage depots from which gas can be readily obtained and distributed to anyone of the thousands of Kentucky farms for immediate use.

Although this use is a recognized possibility, a relatively small usage is being made due to the lack of knowledge on economical application to farm operations. For farm uses this form of energy has a distinct advantage in being portable to remote locations at negligible expense.

Some of the more promising uses appear to be heating for homes, shops, poultry and pig brooders, cooking, crop drying and curing, small engine applications, particularly on isolated jobs, and flame cultivation (burning unwanted weeds and grass in row crops).

The vast potential in developing efficient use of a large natural resource like liquefied petroleum gas is illustrated by the following facts.

Liquefied petroleum gas is relatively low in cost and easily controlled for automatic operation which fits modern agriculture's trend toward use of less labor in agricultural production and processing. The need is to develop efficient means of applying this fuel to agricultural operations.

For instance, presently conceived poultry brooders are very wasteful of fuel and inefficient. Improved designs would save millions of dollars in the thousands of large brooding operations in the poultry industry.

Small portable engines operated on the clean burning liquefied petroleum gas fuel should have longer life and less maintenance cost and greater reliability. It is already known that liquefied petroleum gas engines do have significantly less maintenance and increased life than engines using other fuels. Maintenance is a major problem in small engine operation and if such engines could be made reliable the use of these engines for such applications as chain saws would be greatly enhanced.

Many worthy research projects of national interest involving possible use of liquefied petroleum gas could be discussed. To further illustrate the opportunities two projects of widespread interest are the use of energy for producing burley tobacco and destroying unwanted weeds.

TOBACCO HANDLING AND CURING

Today the burley tobacco farmer moves the entire stalk of tobacco into tall barns where it is hung from tiers for curing. Curing progresses slowly by chemical changes as the plant dies and loses its moisture.

During periods of excessive atmospheric moisture, heat is often provided, by coke or liquefied petroleum gas.

After curing, the farmer delays his operation an indefinite period of time until suitable damp weather causes the tobacco to absorb enuogh moisture to prevent damage during handling. The tobacco is then removed and packed in a stack near the stripping room where the leaves are removed, graded and prepared for market.

This system of operation provides very limited control over the environment during the tobacco cure; it is wasteful of the energy applied in the form of heat in the large open type barn; but more important it is exceedingly wasteful of human

energy and time used to move the tobacco into and from the house, adjusting ventilators, and the tedious task of handling each tobacco leaf. There seems to be tremendous potential for improving this system through basic research.

Of first importance, an objective for evaluating tobacco quality needs to be developed. The evaluation of quality would include reflection, absorption, and transmittance of electromagnetic energy from the infrared through light and short wave length rays as well as chemical analysis and measurements of resistance, moisture content, etc.

Such elusive criteria as taste and aroma can surely be related to basic physical and chemical characteristics of the leaf. Establishment of fundamental objective criteria for measuring equality would be an invaluable aid in marketing tobacco and evaluating tobacco research.

Secondly, the physical, biological, and chemical changes taking place during the cure should be carefully established under controlled conditions for burley tobacco. If this information were known, it would surely be possible to develop a method using a different environment to produce essentially the same product by curing the leaves off the stalk, by shredding the leaves and stalk directly in the field or by other methods which would be apparent if this basic data were established.

The potential improvements in field chopping tobacco is easily visualized when one realizes that air can be moved through a homogeneous mass, such as chopped plants, rather uniformly. Effective energy application, including control of heat, moisture, air velocity and possibilities of substituing inert gases to control the rate of chemical action, can regulate chemical and biological changes over a wide yange. It is clear, however, that systems of control cannot be intelligently predicted until the processes of tobacco curing are known.

WEED CONTROL

Annual weeds which propagate themselves from seeds and perennial weeds which propagate themselves from rootstocks are pests which constantly plague the producer of agricultural crops. It has been estimated that approximately 20 percent of the total production costs for certain agricultural crops is expended in controlling these pests. This estimated cost is based on the traditional control methods of mechanical cultivation and hand hoeing.

The efforts of many research workers in the area of weed control have yielded information on three particular control measures, (1) mechanical, (2) chemical, and (3) flame. The work has also shown that a combination of these control measures results in better weed control than does any one control measure used alone.

Research relating weed control measures to Kentucky crops and conditions as well as development of machines and methods for applying these control measures is needed.

The flame as a weed control measure is attractive because it does not damage the root system of the growing crop and eliminates the danger of residual effect on succeeding crops.

Basic research is needed to determine the relationships between flame intensity and the physical characteristics of weed and crops. This research will establish the optimum flame temperature, flame pattern, and time of application of the flame to selectively kill the weeds without damage to the crop.

SUMMARY

The opportunities for use of LP gas on farms are of national interest and value and should be approached at a centrally located research institution. Kentucky has the advantage of a variety of farming situations from flat land to rolling and hill country. Many soil types, crop and livestock farming exist. The University of Kentucky has resources in land and library facilities for agricultural engineers to perform the necessary work. The LP gas industry in the State have proven their interest by supplying the university with an LP gas laboratory equipped for supplying gas for tractors, heating, equipment testing, etc.

The agricultural engineering building has adequate office and laboratory space for research endeavors. Funds are urgently needed to begin work on the potential uses of LP gas in the agricultural industry. The USDA should also be interested in these regional and national opportunities. If so, there is justification for development of a strong cooperative research program involving the LP gas industry, USDA and the Kentucky Agricultural Experiment Station.

FUNDS

As a start on these important opportunities of energy application the tobacco and weed problems appear most urgent. The following budget would be necessary to make progress in these areas. With the equipment available on these projects, other opportunities (poultry brooding, etc.) could be explored with limited funds:

Tobacco handling and curing (duration, 10 years):	
Initial nonrecurring expenses:	
Instruments	$8,000.00
Environmental cabinets	18,000.00
Vehicle	2,000.00
Farm equipment, etc	16,000.00
Total	44,000.00
Annual expenses:	
Personnel:	
1 agricultural engineer	9,500.00
1 agricultural engineer	7,500.00
1 biochemist	8,000.00
2 technicians	9,000.00
Total	34,000.00
Operating expenses:	
Supplies	15,000.00
Transportation	2,000.00
Laboratory analysis	2,500.00
Labor	4,500.00
Total	24,000.00
Total tobacco	102,000.00
Weed control (duration, 10 years):	
Initial nonrecurring expenses:	
Field equipment	10,000.00
Instruments	3,000.00
Shop equipment	1,500.00
Vehicle	2,000.00
Total	16,500.00
Annual expenses:	
Personnel:	
1 engineer	8,000.00
1 technician	5,000.00
Total	13,000.00
Operating expenses:	
Supplies	12,000.00
Transportation	1,000.00
Biological lab work	800.00
Tractor and equipment lease	1,000.00
Labor	2,000.00
Total	16,800.00
Total weed control	46,300.00
Grand total 1st year	148,300.00
Succeeding years	87,800.00

KENTUCKY LP GAS ASSOCIATION,
OFFICE OF THE SECRETARY,
Tateville, Ky., April 11, 1959.

RESOLUTION

Whereas the Kentucky LP Gas Association has consistently recognized the benefits that flow from research in the field of improved and new uses of liquefied petroleum gas; and

Whereas the association has contributed money, materials, labor and services in conjunction with the limited research program in this field undertaken by the College of Agriculture of the University of Kentucky; and

Whereas the association is convinced that a research program of magnitude beyond its own capacity is required and is in the national interest; and

Whereas the association has considered numerous suggestions and has evaluated their potential merit and decided upon a program: Now, Therefore, Be it

Resolved by the board of directors of the association in formal meeting, That it go on record as approving a program of basic research in the field of liquefied petroleum gas encompassing (1) an improved program of tobacco handling and curing through the use of LP gas, and (2) a program of weed control utilizing mechanical, chemical and flame techniques; and be it further

Resolved, That the board request the Congress of the United States through its appropriations committees to appropriate such funds as are necessary to establish a strong cooperative research program involving the liquefied petroleum gas industry, the U.S. Department of Agriculture and the Kentucky Agricultural Experiment Station; and be it further

Resolved, That the executive secretary of the association is instructed to communicate with the Kentucky congressional delegation to make known the views of the board in this connection and that she send copies of this resolution to each member of the congressional delegation and to the Secretary of Agriculture.

Adopted by the board of directors on April 11, 1959, in meeting at Paducah, Ky.

FRANCES L. HOLLIDAY, *Executive Secretary.*

REQUEST FOR APPROPRIATIONS FOR BASIC RESEARCH ON LP GAS IN AGRICULTURE ON BEHALF OF THE KENTUCKY LP GAS ASSOCIATION MAY 1959

Kentucky LP gas operations, as has the national industry which showed a growth of 29,000 to 1 from 1922 to 1956, have increased from 1 in 1925 to more than 500 in 1959, and are located in every rural section of the Commonwealth, serving agriculture, industry, and domestic markets of Kentucky. They are supplied by the voluminous network of transmission lines, railroad, highway, and water facilities available to the Commonwealth and serve 284,000 customers with LP gas.

LP gas dealers (small, independent businessmen, which the majority of Kentucky LP gas operators are) have close contact with their customers because of the manner of delivery of LP gas as a fuel, so they have learned that they must "stand back of" any equipment or appliance which they sell or service.

Individuals, local and State groups, through the Kentucky LP Gas Association, have given of their time and their money to assist with experiments and with the application of LP gas. They will continue to give such aid, but realize that the aid they are financially, and educationally able to give falls far short of the basic research work which is needed on agricultural problems in order to determine the better uses for our energy-producing fuel—liquefied petroleum gas.

Recognizing that the LP gas industry in Kentucky, and its allied suppliers and manufacturers, cannot supply all the research and the valuable reporting of same that is needed to insure Kentuckians the full use of LP gas and LP gas equipment, they confess that they need the aid of governmental agencies in testing fairly, with unbiased minds, and reporting with the same fairness.

Kentucky is ideal for the location of such basic research in LP gas for these reasons:

1. Kentucky LP gas operators are banded together in a very active organization—the Kentucky Liquefied Gas Petroleum Association, which is organized to cooperate with research agencies, having already demonstrated its ability to meet the needs of research in its cooperation over a period of 12 years with the College of Agriculture, University of Kentucky.

This has culminated in the installation of the first LP gas laboratory in an agricultural engineering department, which laboratory is a gift from the Kentucky Liquefied Petroleum Gas Association to the College of Agriculture, University of Kentucky.

2. Kentucky LP gas industry works under safety regulations promulgated by the department of public safety, with an LP gas bureau under a merit system, with schooled service personnel who are trained and examined by the bureau.

3. Kentucky is a State with a diversified type of soil, agricultural unit, and a problem for the depressed areas of eastern Kentucky to the fertile acres of the Ohio and Mississippi River bottoms—not forgetting the suburban areas in and near the larger cities.

4. The Agricultural Engineering Department, College of Agriculture, University of Kentucky, has gained firsthand knowledge of LP gas through its work on the University of Kentucky Experiment Farm and its contacts with Kentucky farmers now using LP gas in myriad ways.

Because of the respect which we hold for the University of Kentucky's College of Agriculture, and for the agricultural engineering department in particular, we have sought the guidance of their people in selecting and outlining projects on "Energy Uses in Agriculture."

For these projects we earnestly pray your consideration, your assistance, and your promotion.

Mr. JOHNSON. We thank you for this time. If there are any questions, we would entertain any question that any member of the committee might like to ask of any of us.

Mr. MARSHALL. We thank you for a fine statement and for calling this matter to our attention.

Mr. NATCHER. I want to thank you for your fine statement and say to you and Miss Holliday, and to your other folks present at this time, that we certainly appreciate your appearance before our committee.

Miss HOLLIDAY. May I ask the committee to consider this extra material on how widespread is our need and how widespread is our service and that this particular one in our own State is the pattern of our bulk depots. They are well distributed.

Mr. MARSHALL. We will be glad to have that. Unfortunately, our facilities are such that we are not able to reproduce it for the purpose of the record. So, any comment you may make about it such as for the purposes of identification would be helpful.

Mr. HORAN. Mr. Chairman, we could include this "Energy Uses in Agriculture."

Miss HOLLIDAY. We would like very much to have you include the duplicated material and the printed material and the "Energy Uses in Agriculture," because it goes deeper into the projects that have been set up and the projects which we need. I would like to call attention to the fact that the money we are asking for, gentlemen, is not for equipment that we could sell or get anything out of. The money we are asking for is for agricultural engineering and chemists to do research work and help us to know what to do for the farmers and their consumers whom we serve.

Mr. HORAN. Mr. Chairman, I want to compliment this group on having their material very well in order. It has been very well presented.

Mr. JOHNSON. Thank you. We thank you gentlemen very, very much and it is nice to have seen all of you.

FRIDAY, MARCH 18, 1960.

PLANT QUARANTINE AND PEST CONTROL

WITNESSES

DONALD FLETCHER, EXECUTIVE SECRETARY, RUST PREVENTION ASSOCIATION, MINNEAPOLIS, MINN.
DONALD N. McDOWELL, DIRECTOR OF THE WISCONSIN STATE DEPARTMENT OF AGRICULTURE
JOHN W. BARINGER, PRESIDENT, NATIONAL PLANT BOARD, COLUMBUS, OHIO

Mr. MARSHALL. The committee will be very pleased at this time to hear from Mr. Donald Fletcher, the executive secretary of the Rust Prevention Association, Minneapolis, Minn.

Mr. Fletcher, will you please proceed with your statement and introduce for the purposes of the record the gentlemen you have with you.

You may proceed in any way you wish.

Mr. ANDERSEN. Mr. Chairman, I would like to say for the record that I always consider the appearance before this subcommittee of Mr. Don Fletcher and his group one of the highlights of our hearings. Mr. Fletcher is well-versed in the information that he brings to the subcommittee, and it is that type of information, I feel, which really does help this subcommittee in its endeavors to do the right kind of job.

Mr. NATCHER. Mr. Chairman, would you yield to me at that point?

Mr. MARSHALL. Yes, sir.

Mr. NATCHER. Mr. Fletcher, I want you to know that it is quite an honor for the State of Minnesota to have on this committee my friends and colleagues, Fred Marshall and Carl Andersen. The American farmer has no better friends than these two gentlemen, and I say that to you advisedly.

Mr. MARSHALL. We thank you for that statement.

Mr. FLETCHER. Thank you, Mr. Natcher. We at home in Minnesota realize that fact and we are going to keep them coming down here just as long as we possibly can.

Mr. NATCHER. We are in favor of that.

Mr. FLETCHER. Gentlemen, may I introduce to you Mr. Donald N. McDowell, the director of the Wisconsin State Department of Agriculture? There are just three of us here today. Mr. McDowell will lead off in his presentation of the work on the St. Lawrence Waterway.

Mr. MARSHALL. We would be glad to hear from Mr. McDowell at this time.

Mr. MCDOWELL. Thank you, Mr. Chairman and members of the committee.

STATEMENT OF MR. DONALD N. M'DOWELL

The prepared statement that you have before you is a brief statement highlighting some of the problems that we see in the quarantine work at the ports of the St. Lawrence Seaway. Also, there are copies of a resolution passed by the National Association of State Departments of Agriculture.

I would like to submit for the record at this point my prepared statement, sir.

Mr. MARSHALL. Without objection it will be inserted into the record at this point, together with the resolution to which you have referred.

(The matters referred to follow:)

STATEMENT OF DONALD N. MCDOWELL, DIRECTOR OF THE WISCONSIN STATE DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the committee, I am Donald N. McDowell, director of the Wisconsin State Department of Agriculture. I am appearing in my official capacity on behalf of the State of Wisconsin and I am also representing the National Association of State Departments of Agriculture.

The opening of the St. Lawrence Seaway in 1959 to deep-draft oceangoing vessels has vastly increased the threat to agriculture in this Nation by laying bare its heartland to direct exposure to thousands of animal and plant diseases and pests which are not presently established in this huge production area. In its first year of operation, traffic on the seaway far exceeded expectations. There is no reason to believe this will not be an ever-increasing trend.

In my own State the economic ruin that would accompany the accidental introduction of foot-and-mouth disease would be terrible to contemplate. The ports of Duluth and Superior at the head of the seaway are the sites of the world's largest grain elevators. The Khapra beetle, which has already been found on ships plying the seaway, has been called the world's worst grain storage pest. The myriad varieties of other pests and diseases of foreign origin that constitute a hazard to agriculture are too numerous to mention, and the two examples cited are only for the purpose of dramatizing the problem in terms of the economy of one State. Furthermore, this threat is not limited to the States bordering the seaway. The gigantic proportions of our overland transportation system make it virtually impossible to confine a pest or disease once it is established. Invested or infected agricultural products could be transported in a matter of hours to distant States, and thus the chain of waste and ruin is spread.

The most economical and effective means of meeting the problem is to stop this invasion of foreign pests before it starts. The control or eradication of a disease or pest, assuming this to be possible, is a very costly business. Efforts to control the European corn borer have cost $1½ billion in the last 10 years. The only way these tremendous losses can be avoided is through an adequate Federal inspection force. Despite the fact that Wisconsin has eight deep-water ports on the Great Lakes, there is not a single Federal inspector in any one of them to date. This seems almost incredible, considering the huge amount of traffic generated on the seaway by the grain ports at Duluth and Superior alone. Essentially this appears to be a problem that can best be handled by the Federal Government. The problem is national in scope and is not limited to the seaway States. The Federal Government has the experience in this inspection field that is not shared by the States. While it is true that the present Federal inspection staff is inadequate to keep pace with the increasing workload, it forms a logical nucleus to build around.

The National Association of State Departments of Agriculture went on record at its convention in October 1959, urging the Secretary of Agriculture to establish inspection service comparable to that now rendered to the seaboard ports, at ports on the Great Lakes. I understand that there is now in the Federal budget $504,600, which will permit the hiring of 45 to 50 additional men to supplement the inspection force. It is our firm belief that at least a million dollars and an additional 100 men are needed immediately to afford protection against agricultural losses which could conceivably run into the billions. In succeeding years further rapid expansion of the inspection force will be necessary to keep pace with the work.

We in the State of Wisconsin recognize that we do have some responsibility in this area. We were fortunate to get the funds necessary to hire one qualified man to survey the hazard and scope of our problem. He will also be engaged in inspection work. Yet how totally inadequate this is must be clearly apparent to you. We assure you of our cooperation, but respectfully point out that only the Federal Government can provide an adequate inspection force, coordinated on a national basis to resolve what is essentially a national agricultural problem.

ST. LAWRENCE SEAWAY, RESOLUTION NO. III

Whereas the opening of the Great Lakes-St. Lawrence Seaway has made cities located on the Great Lakes ports of the world and vessels of all sizes and descriptions from foreign countries make these cities regular ports of call; and

Whereas because of the geographical locations of these Great Lake ports they penetrate far into the heartland of the North American Continent, which is the great agricultural area of both the United States and Canada; and

Whereas these Great Lake ports presently present great threats to agriculture, both in the United States and Canada, through the possible introduction of livestock disease, insect pests, and plant disease because of the lack of preventative inspection service; and

Whereas, if an epidemic of livestock disease, insect pests, or plant disease started in these Great Lake ports, control would be difficult and expensive to the various States involved; and

Whereas agencies of the U.S. Government have for many years been operating inspection services in the various salt water seaboard ports to prevent the introduction of livestock disease, insect pests, and plant disease into the United States and have had long years of experience in control of same and could at a cost less than the various States provide such inspection service: Now, Therefore, be it

Resolved by the National Association of State Departments of Agriculture, assembled in convention at Nashville, Tenn., October 19–23, 1959, That its executive committee urge the Secretary of Agriculture to immediately establish inspection service comparable to that now being rendered to the seaboard ports, at ports of the Great Lakes, St. Lawrence Seaway, to prevent the introduction of livestock disease, insect pests, and plant disease into the various States adjacent to the Great Lakes-St. Lawrence Seaway.

Mr. MCDOWELL. In speaking with you briefly this afternoon, I am representing both agriculture in Wisconsin and the national association. I am going to just touch a few of the highlights which we would like to emphasize. With the opening of the St. Lawrence Seaway, the interior of the United States has been opened for the possible introduction of plant pests as well as animal diseases of foreign origin. We are very much concerned, and I am very happy to be here to make this statement also in behalf of the two distinguished gentlemen from Minnesota. We surely appreciate the fact that you are represented here because we have a common State problem, but at the same time it affects all of us in the United States—those on the seacoasts on both sides and also the States that are inland away from the water.

Study has shown that there is a serious lack of adequate inspections provided by the USDA for the seaway port inspection work. Their funds, even on the salt water ports, have been inadequate. We did not realize that, of course, as a national association and as inland States until we got to looking into the situation as to whether we could get inspectors for these ports. With the opening last year of the St. Lawrence Seaway we in Wisconsin, for example, had eight ports open for heavy shipment, the greatest of which we are happy to share with Minnesota—the Duluth-Superior Harbor—but no inspector from the USDA was on hand last year at any one of these ports.

We have by reemphasis, over and over again, received commitments for two men, one at the Duluth-Superior port and the other in Milwaukee. Both of those two States have men in training—State-employed men—in New York, preparing to come back to assist in surveying the situation in order to be of better guidance both to our legislature and to you people here in Congress as this situation affects the Midwest. So, we are trying to do that from a State standpoint.

We find that even if USDA sends men—and with the appropriation before you and an increase of about $504,000 has been included which will permit them to employ some 40 to 50 men—this will still be very inadequate even for this year, and we urge, both as a National Association of State Departments of Agriculture—I am sure my colleagues at the hearing this afternoon will testify also—that we need at least $1 million more this year instead of the $504,000 increase now in the budget. This would put on about 100 quarantine inspectors to strengthen the work on all coasts. We feel that this is a Federal problem because in our fast transportation era these pests can move in very rapidly. I want to just mention two of them. In our opinion the Khapra beetle is the most dreaded of all insects from the standpoint of our grain storage houses. In the Superior-Duluth port alone it would take hundreds of thousands of dollars to wipe it out and fumigate if we did get that pest in at that point. We had a chance to go aboard some of those ships this fall and we submit that the situation definitely needs correcting. We earnestly request your consideration of this problem.

Foot-and-mouth disease, for example, in livestock is another serious matter which we have had to eradicate six or more times in the history of the United States. However, we are finding that even dumping of wastes in our Great Lakes is going to cause an additional health and pest hazard. True, this particular inspection is not going to protect that particular phase, but it is a part of the total program, and we urgently solicit your mutual consideration in this tremendous problem.

I would be glad to answer any questions later on, if you should have them.

Mr. HORAN. What is Canada doing in this regard?

Mr. MCDOWELL. I know quite a little bit about it but Mr. Fletcher really could answer that question better than I could on Canada's relations.

Mr. FLETCHER. At the present time, Mr. Horan, Canada has the attitude that they are more interested in what is going out rather than what is coming in. They are inspecting their ships for insects and diseases, and have the proper sanitation of the grain going out. I have been at meetings attended by top quarantine people of Canada, and their interest is definitely in the export trade. They fail to realize that they may get some of these animal diseases and insect pests which may cause trouble to their producing areas. You will remember that 2 years ago foot-and-mouth disease broke out in Saskatchewan and they closed down all of the shipping pens and all of the transportation of animals over a period of several weeks. All movement of livestock came to a standstill and, yet, today they do not fully realize just what is happening in regard to animal diseases and plant pests with the influx of foreign shipping into the Great Lakes. We need the complete cooperation of the Canadian Government in this program. I am sure we will get it, but they just do not understand the dangerous possibilities yet.

Mr. HORAN. To some extent, then, they cancel out our efforts unless a joint effort is made.

Mr. FLETCHER. The next speaker, Mr. Chairman, will be Mr. John W. Baringer, the president of the National Plant Board from Columbus, Ohio.

Mr. MARSHALL. We shall be glad to hear from Mr. Baringer.

STATEMENT OF JOHN W. BARINGER

Mr. BARINGER. Mr. Chairman and gentlemen of the committee, my name is John W. Baringer, chief of the division of plant industry, Ohio Department of Agriculture. On this occasion I appear as chairman of the National Plant Board, indirectly representing regulatory plant pest control officials in all States throughout the Nation, to offer testimony in the interest of providing sorely needed increased protection from further invasion of foreign plant pests which pose a critical threat to the Nation's agriculture.

I have had in excess of 40 years' experience with the State and Federal Government in this matter of combating plant diseases and insect pests. Of course, in this particular instance I appear before you to help, if possible, to give you information which emphasizes the need for more adequate protection from these dangerous insects and plant diseases of foreign origin which come to this country and which may become established here and cause tremendous losses in the heartland of our agricultural production.

You people, of course, are quite familiar with the long list of pests from foreign countries which have come to this country, first, through our seaboard ports and from our international neighbors to the north and to the south, and later by airplane, and now pose a threat when they have the opportunity to come into an unprotected area through our St. Lawrence Seaway.

These different pests are great in numbers and have demonstrated their ability to cause great damage. For instance, the Japanese beetle, the gypsy moth, the Mediterranean fruitfly, the witch weed of corn, the European corn borer, and the chestnut blight as well as the Dutch elm disease—and I could go on indefinitely—pose serious problems which cost millions of dollars in crop loss. The interesting thing is that in spite of our most up-to-date means of combating these things, a great number of those pests are still with us. You are aware not only of the damage they cause I am sure, but also of the tremendous costs to Federal, State, and local governments and individuals in attempts to keep them suppressed. The point is that we have not in any case succeeded too well. That means that not only have these pests already caused tremendous losses but they stand as a mortgage on future production for decades and, perhaps, centuries to come. It seems good business to try to keep pests out for it costs much less money in attempting to keep them out than it does to suffer all these losses and to attempt to control them after they get in.

Now, many of us in pest control, of course, throughout the country have realized that the Federal agency, which is charged with the responsibility of protecting this country from these invasions of foreign pests, has done a very excellent job with the money that they have had to work with. However, their capabilities of coping with these things has not been in proportion to development of the increased risks, principally because of the rapid increase in transportation of travelers throughout the world and also from the increase in commerce.

This question came to public attention particularly when the St. Lawrence Seaway ports were opened and the realization that adequate preparations had not been made by the USDA to meet the situation. The seaway opened in April last year, as you know, and I understand that 1,000 ships came into our lake ports. The means to meet this

situation were grossly inadequate. If the seaports and other ports of entry around our borders had been well staffed, it might have been possible to obtain some help there, but they have been understaffed for years and, therefore, the removal of those people from the established ports of entry would have simply weakened the services there. A quarantine inspector must be carefully trained to do the job and training takes time.

I had the opportunity last October when the National Plant Board met in New York City, to visit the Federal Training School for Quarantine Inspectors. I was very much impressed with the excellent nucleus of instructors and training facilities they have. These could be rapidly expanded, but still it takes time for the recruits to be trained. They must be trained, of course, or they are not of much benefit. So it seems to me that this is a very pressing need. It requires immediate emergency funds which can be used beginning now until the 1st of July, when the 1961 fiscal year appropriations become available. But even at that, the shipping will open before that time and we wonder what with inadequate preparations, it is going to mean in the way of pests sligging in at unprotected or poorly covered ports.

Mr. MARSHALL. Mr. Baringer, with the appropriation bill that we are now hearing it would not be possible within this bill to make funds available before the beginning of the next fiscal year.

Mr. BARINGER. Sir, I understood that, but it seems to me that there may be some funds which have not been committed for other purposes.

Mr. ANDERSEN. I have been in conference with the men responsible for this important activity, and they tell me that the Department of Agriculture has already made transfers out of its own funds to the point where they have sufficient money on hand to put a minimum—not a maximum and not all they would like, but a minimum—of protection from the time the port opens up in April until the end of this particular fiscal year, and they further tell me, Mr. Chairman, that in the budget before us for 1961 are sufficient funds to put the inspection work on the Great Lakes in similar condition or on a par with that of the rest of the country.

They have men in training and they are getting geared up to do this job.

Of course, there is no question but what right today and for the next 3 months they could utilize more funds to give the proper care, as they would like to do, to that inspection work.

Mr. MARSHALL. I would like to say that I have had a substantiation of the things that you have said. Although I again may have misunderstood Mr. Baringer in his statement; but here in this particular bill the funds that we make available in this bill cannot be used until next July.

Mr. ANDERSEN. The Department, as you know, Mr. Chairman, has considerable power of transfer of funds.

Mr. HORAN. Can they not use contingency funds similar to funds which were used for fighting grasshoppers? We have a contingency fund for fighting grasshoppers.

Mr. ANDERSEN. In spite of the fact that the Department assures me that they are cognizant of the danger and are proceeding to take care of it as best they can, I think you gentlemen are to be compli-

mented for coming here today and urging that immediate steps be taken to prevent any serious outbreak. Whether or not it will take a supplemental appropriation for funds for the balance of this year or whether in the regular budget for 1961 there are sufficient funds for this purpose to do what the Department says they will do, Mr. Fletcher, and that is to give the ports on the Great Lakes the same degree of inspection as on the other coasts, I am not qualified to say as of now.

Mr. BARINGER. I had intended to stress the need for emergency funds to take care of the immediate situation between now and July 1, and then to state also that it is believed that it is necessary to add the sum of $1 million to the current fiscal year appropriation for 1961.

Actually, we are concerned with what pests may have been introduced last year, of which we know nothing until they become established and recognizable. We are also very much concerned with additional pests which might be introduced through the same channels before we can catch up with an adequate inspection system.

I will be glad to answer any questions.

Mr. MARSHALL. Did you have a statement you wished to make?

Mr. FLETCHER. Yes, sir.

STATEMENT OF MR. DONALD FLETCHER

Mr. Chairman, I would like to give you this prepared statement, but I also would like to proceed extemporaneously.

Mr. MARSHALL. Your statement may be placed in the record at this point.

(The statement referred to follows:)

STATEMENT OF DONALD G. FLETCHER, EXECUTIVE SECRETARY, RUST PREVENTION ASSOCIATION, MINNEAPOLIS, MINN.

The industries which I represent produce, process and handle agricultural crops. They provide services, goods, and equipment for the farm market. They seek to provide the consumer with the highest quality food in the world—and usually they succeed.

We are told that 40 percent, or $200 billion, of the U.S. gross national product comes directly or indirectly from agriculture. An industry is only as sound as its research program. The agricultural industry must have progressive educational and pest control programs to be healthy, as well as dynamic research to serve the best interests of all the people and the Nation's economy.

Mr. Average Citizen is a consumer, not a producer, of agricultural products, but as such he only has to go without food for 24 hours to realize how important agriculture is to him personally. A steady flow of high quality food is a must if we are to continue to enjoy the high standard of living we now have and lead the world in the production of consumer goods, scientific equipment, airplanes, automotive equipment, and many other articles of commerce.

In order that America may continue to hold its high rank among the agricultural countries of the world, agricultural research of all kinds done today must be strengthened and increased manyfold. Basic information in many of the scientific disciplines fundamental to agriculture is sadly lacking. Empirical information on the "what" of crop production has been relatively highly developed but the "why" of plant, disease, or insect behavior and the interaction of the physical and biological factors under varying climatic and soil conditions is still largely a vast unknown.

Members of this subcommittee have repeatedly demonstrated a much better understanding of the needs of scientific agriculture and its importance to our overall economy than have officials who set the ceilings under which scientific research in the Department of Agriculture operates. The record of the past 10 years shows that Congress has been responsible for strengthening critical areas of research by providing most of the desperately needed research and control funds (over the budget figures). We compliment you for your foresight in these matters.

The industries I represent urge the utmost efficiency in operations of Government. There are a limited number of tax dollars available to pay Government expenses. We ask that under this ceiling you place a higher priority on funds for agricultural research, control, and education both for Federal activities and grants to State experiment stations and the extension services.

The investment which producers must make today in tools, land, fertilizer, equipment, and operating costs is much higher per man than industry's per man investment in most manufacturing plants. The expenses involved in producing a crop are so great that no modern producer can afford to make mistakes in varieties grown, disease and pest control, fertilization, cultural practices, etc. The farmer cannot do his own research. He has been paying for it in his State and Federal taxes but only about 25 percent of the research he actually needs is being done. In this area of Government service we have been penny wise and pound foolish.

Ten to fifteen years are often required for scientific breakthroughs which help to advance our knowledge and result in improvements of economic importance. Our land frontiers have been reached—in fact, they are being pushed backward for we are losing millions of acres of some of our best land to highways and urban development each year. The frontiers of knowledge are unlimited. We spend billions for weapons of destruction, yet make a far from adequate investment in something as constructive as basic research in agriculture. Once obtained, this knowledge is the foundation for improvements which benefit the economy and well being of the entire Nation.

I would like to point out some soft spots in our Federal agricultural programs and urge your serious consideration of strengthening them through the means suggested.

Increase the budget allotment for quarantine work by $1 million on July 1 instead of the $504,600 increase now in the budget. A $1 million increase will permit the employment of 100 new inspectors rather than the 50 possible under the budget figure. Actually, the number of Federal plant pest and animal disease inspectors (now about 500) should be doubled, but it will be much more economical and efficient if this is done over the next 5 years rather than all at one time.

Constantly increasing travel and transport into the United States by ship, airplane, train, and vehicular traffic has created inspection loads which cannot be adequately met with present personnel. Since 1946 ocean traffic requiring agricultural inspection has increased more than 100 percent; vehicular traffic across the Mexican border, 450 percent; air traffic, nearly 600 percent. During the same period the number of inspectors has increased by about 30 percent.

Opening of the St. Lawrence Seaway in April last year to deep-draft vessels added a 2,000-mile "fourth coastline" to the United States which requires agricultural quarantine protection. In spite of warnings given during 3 previous years by several interested groups, including my own, budget administrators neglected to recognize the need for additional funds and did not allow responsible persons within the Department of Agriculture to make provision for adequate inspection services at Great Lakes ports when the seaway opened.

More than 1,000 ships of foreign registry docked at lake ports last year. In April 1959, only one port was manned by quarantine inspectors. At the season's end, only four ports were manned. The seaway will open next month and only 6 of the 30 principal ports, or really 6 of the 80 probable ports along the seaway capable of receiving cargo from foreign ships can be staffed with presently available funds. An emergency allotment of $100,000 is urgently needed now to strengthen the program prior to July 1, 1960.

The Khapra beetle was intercepted on a foreign vessel docking at Cleveland last summer. Six million dollars have been spent in trying to eradicate this serious grain storage pest from the southwestern United States. How many more pests, both plant and animal, have entered through the seaway? An ounce of prevention is often worth a pound of cure. Why not now instead of too little and too late?

Since 1950, the United States has recognized the invasion of five serious crop pests. Campaigns to eradicate or control the following pests are underway:

The Khapra beetle from India, one of the world's worst stored grain pests, was detected in the Southwestern United States in 1953. The costs of eradication, not to mention grain losses and time lost through quarantine of business establishments, has been $6 million.

Witchweed from Africa and Asia is the worst threat to corn crops this country has had in many years. It also threatens sorghum and sugarcane. Witchweed is now present on 1,692 farms in North Carolina and 512 farms in South Carolina—a total of 77,600 acres are infested. Corn cannot be grown on heavily infested

ground so spread of witchweed to the Corn Belt must be prevented. Eradication efforts in the counties now known to be infested will cost millions.

The soybean cyst nematode, a native of Asia, attacks soybean roots causing severe damage when soil is heavily infested. First found in North Carolina in 1954, the pest has now spread to the following eight soybean growing States: Arkansas, Kentucky, Mississippi, Missouri, North Carolina, Tennessee, Virginia, and Illinois. Some 30,000 acres on 716 properties in 24 counties are known to be infested today. Costs of actual control efforts will be very large, in addition to the losses suffered by growers.

The spotted alfalfa aphid, a forage pest, appeared in the Southwest in 1954, origin unknown. It has spread into 30 States in 3 years, being light enough to be distributed by the wind. It is estimated that this pest cost the forage growers of the United States $42 million in 1956.

Hoja blanca is a rice disease caused by a virus and spread by a leafhopper. A native of the Orient, it has been found in Venezuela, Colombia, Cuba, and elsewhere in Latin America since 1952. Hoja blanca has been found in three Southern States since 1957—Mississippi, Louisiana, and Florida. The cost of attempting to eradicate or control this disease is unknown at present but it will be substantial, for rice is a specialty crop and grown only in concentrated areas of the United States.

Other pests of foreign origin that have cost this Nation hundreds of millions of dollars to eradicate or control, and have cost additional millions in losses to producers and industry, are—

The boll weevil attacking cotton.

The pink bollworm attacking cotton.

The Mediterranean fruitfly attacking citrus fruits, peaches, pears, and other fruits.

The Japanese beetle attacking 200 agricultural and horticultural crops, especially damaging to pastures and lawn grass.

The golden nematode attacking potatoes and tomatoes.

The gypsy moth attacking many forest, shade, and ornamental trees and shrubs.

The European chafer attacking the roots of many plants.

The sweetpotato weevil attacking sweetpotatoes.

The white-fringed beetle attacking a very wide variety of crop plants, trees, shrubs, and grasses.

The rust spreading barberry bush which propagates new rust races which attack small grains.

Foot-and-mouth disease attacking all kinds of domestic and wild cloven-hoofed animals.

Newcastle disease attacking poultry and wild birds.

The first line of defense, the Federal quarantine programs, both plant and animal, must be strengthened. At the same time, the second line of defense, the cooperative pest control programs involving Federal, State, and private support must be maintained at top efficiency. Constant review and evaluation of all these programs is essential.

One of the most pressing needs allied to all control programs today stems from the chemical residue situation. There is immediate need to develop a research facility where this problem can be studied thoroughly by teams of scientists. An exhaustive search for effective chemicals which are nontoxic to humans and animals is required. Basic studies and applied research on biologic controls, modification of the breeding activities of insects and vectors of human, animal, and plant diseases may provide ways to approach the all-important task of controlling pests without endangering human health. We strongly support the immediate creation of a Federal laboratory of adequate size for this purpose.

Industry's interest and financial support of basic and applied research is well demonstrated in the substantial research grants made by the Malting Barley Improvement Association to supplement State and Federal funds allocated for barley research during the past several years. Direct grants of $226,000 are being made for barley research by industry this year. The number of breeding lines requiring evaluation of their quality characteristics for industrial utilization has increased tremendously as a result of this expanded program. Present facilities at the Federal Barley Quality Laboratory, Madison, Wis., do not permit adequate screening of breeding lines for industrial utilization. We support the request for $200,000 needed to expand facilities at the barley quality laboratory.

For the past several years the attention of the Department of Agriculture and the Congress has been called to the need for a Federal Plant Physiology Laboratory.

Plant scientists have made great progress in combating plant diseases and insect pests and in insuring more dependable and efficient crop production. Much has been accomplished but little is actually known about the physiological basis which governs the reaction of all our crop plants to winter injury, heat and drought damage, soil and water conditions, as well as to diseases and insect pests. Such basic information underlies the most efficient production of all crops throughout the United States. Fundamental research of this nature requires the full-time efforts of teams of scientists, trained in many scientific fields, with extensive laboratory, greenhouse, and plant growth chamber facilities in which environmental conditions can be rigidly controlled. A laboratory facility adequate to study these problems on a national basis would cost approximately $5 million.

The need for a Federal Plant Physiology Laboratory has been recognized and its construction is urged by the Great Plains Agricultural Council, representing 10 States of the Great Plains between Mexico and the Canadian border; the National Association of Wheat Growers, and the National Forage Research Committee. Progress toward the establishment of a Federal Plant Physiology Laboratory can be made now by providing $250,000 to permit the development of plans and specifications for this facility. This will allow time for careful consideration of overall needs and will permit most efficient use of funds allocated later for construction.

The fields of agricultural research covered by the scientists of the Federal Government should include primarily national and regional problems. This task is tremendous and warrants three times the annual expenditure now being made by the Federal Government. Federal grants to the State experiment stations and extension services by Congress represent less than one-third of the funds supplied by the States. When one considers the economic importance of agriculture to the Nation, tripling the present Federal investment in research through grants to the State experiment stations is not only greatly needed, but good business from a dollars and cents point of view.

A committee representing the American Association of Land Grant Colleges and State Universities has appeared before you requesting an increase of $14 million over the budget figures. We strongly endorse this action. The States themselves and private industries are spending several times the Federal research allocations in the fields involved by this increase. Much of these additional funds would be spent on basic research.

In my opinion a considerable number of the agricultural research programs of the U.S. Department of Agriculture are just marking time today because of the lack of relatively small but vital operating funds. It is regrettable that ceilings and established priorities in governmental expenditures do not permit as vigorous an agricultural research program as our economy should have.

We sincerely hope that next year's budget will show more recognition of the true needs in this field than does the present budget.

Thank you for the splendid help you have always given agricultural research when we have come before this subcommittee. Your courtesy and understanding are greatly appreciated.

Mr. FLETCHER. I also would like to introduce a statement by a State senator, J. Sherman Porter, of Ohio chairman of the subcommittee on the St. Lawrence Seaway from the midwestern agricultural committee of the Council of State Governments.

Mr. MARSHALL. We shall be glad to have his statement placed in the record at this point.

(The statement referred to follows:)

STATEMENT BY STATE SENATOR J. SHERMAN PORTER OF OHIO, CHAIRMAN OF THE SUBCOMMITTEE ON THE ST. LAWRENCE SEAWAY FROM THE MIDWESTERN AGRICULTURAL COMMITTEE OF THE COUNCIL OF STATE GOVERNMENTS OPENING OF THE ST. LAWRENCE SEAWAY EXPOSES MIDWESTERN AGRICULTURE TO THREATS OF NEW PLANT DISEASES AND PESTS FROM FOREIGN COUNTRIES

A look at history will enable anyone to appreciate the possible consequences of the new potential threat to agriculture in Ohio, the Midwest, and the Nation, posed by opening of the St. Lawrence Seaway ports to ships from foreign countries, in view of the lack of adequate protective facilities currently available.

Agricultural crops in Ohio, and sister States, have suffered losses amounting to inestimable millions of dollars due to damage from introduced plant diseases and

other pests such as the European corn borer, affecting corn and other plants, the Hessian fly affecting wheat, the Mexican bean bettle, the Japanese beetle which attacks a large variety of agronomic, horticultural, forage, and ornamental crops, the European barberry which spreads the black stem rust of small cereals, and several others. In addition our forests have likewise suffered from the ravages of chestnut blight, the Dutch elm disease, the European shoot moth affecting evergreen trees, the gypsy moth which attacks forest trees and deciduous shrubbery, the white pine blister rust, the European elm scale and many others of foreign origin.

Many other plant diseases and pests which have arrived from foreign sources and have become established in this country, but have not reached Ohio or become established here to date, which nevertheless give us much concern, are the imported fire ant and the white fringed beetle now prevalent in several Southern States, the European chafer in a few Eastern States, the soybean cyst nematode now present in North Carolina, Virginia, and in six States bordering the Mississippi River, the golden nematode affecting potatoes in New York State, the witchweed of corn in the Carolinas, the Khapra beetle, a devastating pest of stored grain from Asia, now established in some of our Southwestern States.

The Mediterranean fruit fly affecting citrus and other tree fruits in Florida, and the pink bowl worm affecting cotton in several Southern States, are examples of introduced pests from foreign lands tremendously important to those crops but not of primary importance to Ohio.

The cost of excluding dangerous crop pests from this country is insignificant as compared to the cost of attempting to control them after they become established here. Every dangerous new foreign pest of this nature, introduced into this country now, weakens our national security potential in time of war.

The Federal Foreign Plant Quarantine Act imposes on Federal agencies the responsibility, with exclusive jurisdiction, to protect this country from the introduction of plant and animal diseases and pests from foreign countries dangerous to plant life in this country. In spite of the aforementioned examples of organisms of foreign origin which have escaped detection and interception at our airports and seacoast ports of entry, and subsequently have become established, and have cost losses to agricultural production in multimillions of dollars, and have cost Federal, State, local governments, and individuals added millions of dollars to eradicate or to suppress, the Federal Plant Quarantine Agency concerned deserves commendation for success in preventing entry of many other similar pests which arrived at our borders but were denied admittance. It has been recognized by pest control officials in State circles for decades that the Foreign Plant and Animal Quarantine Service has not kept pace with demands created by the rapid increase in international commerce and passenger travel by ship, aircraft, and the construction of additional bridges at our northern and southern borders. The current situation, occasioned by the beginning of use of the St. Lawrence Seaway by ocean-going ships, illustrates clearly the lack of preparation to meet the need. The past is water over the dam. It is time now to seek the remedy.

In short, need for additional financial support making possible the addition of trained personnel, is the crux of the immediate problem. Unfortunately, trained personnel sufficient to meet the requirement is not available. The transfer of workers from established coastwise ports, or other inspection stations, to the Great Lakes area, excepting a minimum to form a nucleus of experience, would invite danger of weakening service efficiency at such existing inspection terminals. Training people for this type of work takes considerable time. It is hoped that funds already appropriated for fiscal year 1960, but not otherwise committed to date, will be made available for immediate use in order that training of recruits may be started at the earliest possible time. Furthermore, it is urged that the Congress increase the budget estimate for foreign plant quarantine activities for fiscal year 1961, by $1 million, in order that protection at the St. Lawrence Seaway ports may be achieved before irreparable damage results.

Mr. FLETCHER. As has been pointed out, the quarantine program, the overall quarantine program, around all the coasts of the United States, has been sadly understaffed. Actually today double the staff is needed if a good job is to be done.

I have been in the ports around the gulf coast, on the Pacific coast, on the Atlantic coast, and seen the action of the men on the firing line. You do not find a better qualified group of men doing a Government job than these quarantine inspectors. Within the limits of their staff,

and the money available, they are doing a tremendous job. It is a matter of the number of the staff and the demands of the job. You would not screen your house with quarter-inch screen to keep out mosquitoes, and that is just what is happening so far as the quarantine is concerned. They just do not have the hands to do the job.

As we look at it, it is not and would not be efficient to spend a large amount of money at one time, appropriating a large sum, because of the necessity for carefully selecting and training these men.

You will remember what happened to the corn borer campaign, when $10 million was appropriated in 1 year. Money was wasted.

What we propose is that a progressive increase in the present staff by 100 men a year be made in each of the next 5 years. This would mean doubling the present staff of between 400 and 500 men. This is a minimum of what is needed on all of the coasts, including the Great Lakes Waterway.

There are 30 principal ports on the Great Lakes Waterway. There are 80 possible ports at which dock facilities are being developed, and they say they will have places for all these foreign boats to dock, so their will be a tremendous increase in the number of ports that quarantine inspectors will have to cover in the years ahead. For this reason and because the old salt water ports and the Mexican border is inadequately staffed we urge doubling the present inspection force in the next 5 years.

The need for immediate funds between the April opening date of the seaway and July 1 is apparent, and we hope to be able to get some additional money from transfers within the U.S. Department of Agriculture. I think they have transferred about $25,000 or $30,000 this year to permit training some men.

Eighteen new men are now in the New York quarantine training program. Experienced men will be transfered from the gulf coast and Atlantic coast to the Great Lakes ports, and thereby strengthen the Great Lakes port inspection work but only 6 of those 30 principal Great Lakes ports will be manned when the season opens this year. The transfer weakens the inspection work along the Atlantic and Gulf coasts and the Pacific coast, so you see what they are up against.

BARLEY AND MALT LABORATORY, MADISON, WIS.

I would like to introduce for testimony a statement by the Malting Barley Improvement Association of Milwaukee, Wis.

Mr. MARSHALL. Without objection that will be placed in the record.

(The statement referred to follows:)

STATEMENT IN SUPPORT OF EXPANDING FACILITIES OF THE USDA BARLEY AND MALT LABORATORY, MADISON, WIS., PREPARED BY MALTING BARLEY IMPROVEMENT ASSOCIATION, MILWAUKEE, WIS.

An addition to the USDA National Barley and Malt Laboratory, Madison, Wis., is essential to provide adequate quality evaluation services for expanded malting-barley-breeding programs and to keep in balance fundamental research on barley quality and industrial utilization for the following reasons:

The major industrial use of barley in the United States is for malting and brewing purposes. The needs of the malting industry amount to more than 100 million bushels of suitable malting barley annually. This is about 30 percent of the total annual U.S. barley production for the most recent 10-year average of approximately 350 million bushels.

There is no surplus of high-quality-malting barley. In fact the malting industry often has difficulty in locating adequate supplies of barley having the

required physical and chemical properties. The malting and brewing industries prefer domestic sources of malting barley, providing it is of acceptable quality.

Malting barley has historically commanded premium prices over barley suitable only for feed purposes. This premium has averaged 40 cents per bushel in the Minneapolis market for the 10-year period, 1950–59. Barley of suitable malting quality is marketed as a cash crop and therefore does not add to grain surpluses under the Government price-support programs. Due to the expected rapid increase in population, it is anticipated that the future needs of the malting industry for malting barley will steadily expand.

The malting and brewing industries of the United States have found through experience that specific varieties of barley from well defined geographical areas are best suited to their needs. The limited number of varieties considered acceptable by the industry have, in recent years, not been competitive with feed-type varieties and other crops. The reasons are that acceptable malting types are inferior agronomically and lack adequate disease resistance. As a consequence malting-barley production has shifted northwestward and away from large processing and consuming centers.

Anticipating the future expanded needs of industry for an adequate supply of malting barley, a comprehensive study of malting-barley-breeding programs in the United States was made by this association in 1956. Results of the studies showed that these programs to develop suitable malting types were inadequately staffed and equipped. As a result of these findings, the malting and brewing industries, through Malting Barley Improvement Association, embarked on a program to supplement financially the development of superior malting-barley types. At the present time financial assistance is being given to agricultural experiment stations in 12 States: North Dakota, Minnesota, South Dakota, Wisconsin, Michigan, Illinois, Iowa, Montana, Idaho, Washington, Oregon, and California and to the USDA National Barley and Malt Laboratory, Madison, Wis. In this fiscal year, August 1, 1959, to July 31, 1960, the research budget of Malting Barley Improvement Association for direct subsidy of malting-barley-breeding programs amounts to $226,000. Allocation of these funds to supplement State and Federal funds have permitted a major expansion of malting-barley-breeding programs in malting-barley-producing States. This has resulted in an explosive increase of new selections that require quality evaluation. It is well understood that a crop-breeding program, which includes the incorporation of specific quality factors, must be accompanied by adequate quality evaluation in all stages of development of new varieties.

In an attempt to provide for adequate quality testing, funds provided by this association have permitted the establishment of malting-quality-evaluation laboratories at the Minnesota and Montana Agricultural Experiment Stations and an expansion of malting-quality evaluation at the North Dakota Agricultural Experiment Station and the USDA National Barley and Malt Laboratory, Madison, Wis. The funds budgeted by this association for support of these malting-quality-evaluation laboratories for the current year and for past years are as follows:

	1959–60	1956–60
Minnesota	$8,600	$37,440
Montana	4,950	17,550
North Dakota	14,135	42,010
Barley and Malt Laboratory	55,500	67,500
Total	83,275	164,500

Cooperative arrangements between the malting and brewing industries and malting-barley breeders have been established so that final evaluation of potential new varieties is made in industry laboratories as well as State and Federal laboratories. The value of such industry quality testing amounts to well over $100,000 annually.

Due to the greatly increased need for quality evaluation of new selections, the USDA National Barley and Malt Laboratory this fiscal year was granted funds totaling $55,500. This includes $30,000 for the establishment and staffing of an additional pilot malting facility in that laboratory to service malting-barley-breeding programs in Western States. This has seriously taxed the space and other facilities of the laboratory and has created an urgent need for an expansion of its facilities.

An adequate appropriation in the U.S. Department of Agriculture for expansion of the USDA National Barley and Malt Laboratory will permit intensification of quality evaluation research on barley and eventually provide additional outlets for this crop. In order to insure adequate domestic supplies of suitable malting barley, we urgently request serious consideration and support of an appropriation in the amount of $200,000 to provide for the needed expansion of the USDA National Barley and Malt Laboratory.

Mr. FLETCHER. At the present moment the Malting Barley Improvement Association is making grants amounting to $226,000 a year to 12 States in the barley growing area. This is industry money.

Over the past 2 or 3 years the resulting research program has been able to develop many new lines of barleys which are adapted to the different States for the growing of malting barley. As you all know, the farmer gets a premium for malting barley over what he does for feed barley.

At the present moment the barley breeders are completely swamped with samples needing quality testing at the present Federal Malting Barley Laboratory in Madison, Wis.

They are asking and we are asking that $200,000 of funds be appropriated to extend and expand that facility at Madison, Wis.

Inasmuch as the industry itself is putting in such a sizable amount in the program of improving barley for the benefit of the whole country, it seems reasonable that this expansion in this critical quality testing, which is now the bottleneck of their improvement program, should be granted by the Federal Government. The Madison laboratory is a Federal facility.

Of top priority in the United States today is a matter of the study of the residues. Basic information on many phases of this problem is lacking, sadly lacking.

We would support the action that you might take, that Congress might take, in providing a laboratory to study the residue situation on plants and animals. We feel there is a real need, to have basic information from which you people can develop reasonable laws and regulations, because the health of the people is involved here. A lot of statements have been made that cannot be substantiated by the technical men who are involved in public health or in plant protection. We just do not have that information today. Top priority should be given to the effort to obtain such information at an adequate laboratory facility.

Mr. HORAN. We already have. Down at the Savannah laboratory they are doing that work. It has been there for a long while.

Mr. FLETCHER. It needs to be expanded.

Mr. HORAN. We have gone into that pretty thoroughly, Mr. Fletcher. We want it done as badly as you do, but we have the men and we have the facilities and we have everything to make the essential findings.

NATIONAL PLANT PHYSIOLOGY LABORATORY

Mr. FLETCHER. You will remember that for a number of years we have been calling your attention, and we have called the attention of the Department of Agriculture, to the need for a national plant physiology laboratory. The Great Plains Council, made up of 10 States from Texas north to the Canadian border, has endorsed that. A number of nationwide organizations have endorsed the building of such a facility. We just do not know enough about the relationship

of plants to their environment, drought resistance, frost resistance, soil and climatic conditions that influence crop development, to really provide the breeders and the plant physiologists with the information to go ahead and get on another plateau of information in order to get beyond our present level of knowledge.

No university, no experiment station can afford to build the type of research laboratory needed.

The plant physiologists, the geneticists, the biologists today need just as technical and delicate instruments as any medical school needs in studying basic plant problems.

Mr. ANDERSEN. What sort of climate is necessary for the location of such a plant?

Mr. FLETCHER. Central part of the country would be perfectly agreeable for that because much of the work will be in controlled growth chambers.

Mr. HORAN. They are building one. This request should come from you and go to the Department of Agriculture through your advisory committees and they should include it in the budget.

Mr. FLETCHER. That is the point. This procedure has been followed for the last 5 years. It has been included in the request of the advisory committees. We have to come to you as a court of last resort to get something of this kind started.

In the last 20 years that I have been appearing before this committee it has been responsible for more constructive and progressive work in research so far as the Department of Agriculture is concerned than any other group in the country.

Mr. MARSHALL. We thank you for that.

Mr. ANDERSEN. I would like to ask what the proposed amount is for the construction of such a laboratory?

Mr. FLETCHER. Estimated cost of such a laboratory 3 years ago was $5 million.

Mr. ANDERSEN. That is the estimated cost?

Mr. FLETCHER. Yes, sir.

Mr. ANDERSEN. The total cost would be $5 million.

Mr. FLETCHER. That is right.

Mr. ANDERSEN. What would be the total annual cost estimated for the regular work following the establishment of that?

Mr. FLETCHER. The Senate asked the Department of Agriculture to make a study of that this last year. I believe it is either in your records or in the records of the Senate as to what they propose for such a building.

I have not seen that figure but I think it is available.

Mr. ANDERSEN. It would require quite a staff of scientists?

Mr. FLETCHER. There is no question about that.

Gentlemen, we are tremendously gratified that you have given us the time you have today. We are trying to bring factual information to you so you can pass judgment on these things which we feel are important.

Mr. MARSHALL. We want you to know that we appreciate your coming before our committee. We always look forward to your visit, and you always give us some good constructive information.

Mr. FLETCHER. Thank you, gentlemen.

FRIDAY, MARCH 18, 1960.

EXTENSION SERVICE

WITNESSES

HON. E. ROSS ADAIR, REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA
RICHARD BRECHBILL, ROUTE 3, AUBURN, IND.
MRS. RICHARD BRECHBILL, ROUTE 3, AUBURN, IND.
DONALD JOHNSON, ROUTE 3, AUBURN, IND.
MRS. DONALD JOHNSON, ROUTE 3, AUBURN, IND.

Mr. MARSHALL. We are very pleased to have before the committee this afternoon our good friend, Congressman Adair of Indiana. I understand Mr. Adair will introduce the group he has brought with him, and I might say to you that you have a very good Congressman in Mr. Adair.

Mr. ADAIR. Thank you, Mr. Chairman.

Gentlemen, these folks are from the fourth district of Indiana, from De Kalb County. This is Mr. and Mrs. Richard Brechbill, and this is Mr. and Mrs. Donald Johnson. They are here to make a statement on the Extension Service. I will be quiet and let them talk.

Mr. MARSHALL. We will be glad to have them talk and we are glad to have you here also, Congressman Adair.

Mr. BRECHBILL. Gentlemen, I have been in farming since 1946, when I got out of the Army and came home to the farm that my dad was farming. My dad was getting up in years, so I took over the farm. I did not know quite what to do. Things were changing then and it was not clear to me just what I ought to do.

So finally I decided one thing I would have to do was get active in my county and if I had questions, go where I could get an answer. So I started using my county agent and through him I found many of the better practices to follow. He told me what he thought I was fitted for and what my land's capabilities were, and we went on that way and I was able to stay on the farm.

Our operation is not large. We have 220 acres.

We have a very active organization in the county and a special agent in "Better farming, better living." He comes out and visits a farmer, sets up a program, what he thinks his capabilities are, what his buildings are, and shapes everything together to make a unit that will operate efficiently and be productive and make a paying proposition.

In my case that was done in 1955. I have come along and with regular extension work have done fairly well. With a "Better farming, better living" setup I have found out I should probably get out of the hog business. I was not a good hogman and I was a fine dairyman, so I changed over to dairying and I have a grade A market and also do quite a bit of green farming with my additional acreage that is not needed for my dairy herd.

We see a lot of the county agent and use a lot of his advice and we have come a long way. We have a happy life. We enjoy it. We have two children that are very interested in the farm. It is a wonderful place for them to be raised, we feel. They are quite interested in 4–H. This whole project of "Better farming, better

living" brings the husband and wife together, and 4–H brings the children and all of us together and it has really done a fine job in our case, and a lot of our neighbors I know will say the same thing because the farmers who have done a good job—and I am not trying to pat myself on the back or anything—but the farmers who have done a good job have cooperated with the county agent and with "Better farming, better living" and their children are active in 4–H and we are very happy with it.

We think money spent for extension work has well paid for itself. Our income has increased. Our net worth has increased so that the taxes we pay locally have increased more than if we had not been good farmers and I am certain that is true federally also.

Mr. MARSHALL. Do you have a home demonstration agent in your county?

Mr. BRECHBILL. Yes; and they are all wonderful.

Mr. MARSHALL. Would you like to add something to your husband's statement?

Mrs. BRECHBILL. Yes. I was an urban girl and I became interested in 4–H work and I found it payed dividends. I received a scholarship to go to college and there I met my husband. As he told you, we learned to work together. We sat down and with paper and pencil we faced reality. That is a hard thing to do, to sit down and say, I am good at this and I am poor at this. But we did that and working as a family we have complete happiness and I always wanted to say thank you to somebody for all the things that it has done for me. Everything has been wonderful and we are so happy. It has been a real reward in itself. It is something that for 30 years I have wanted to say thank you to somebody for, because money is not a measure of what it has given me.

Mr. MARSHALL. Mr. Johnson, do you have something you would like to say?

Mr. JOHNSON. I am a town boy, or I was, I should say. I was born and raised in a town with no idea of farming whatsoever. I married my wife who was a farm girl and I came to the farm thinking I could do a lot with the farm and I thought I knew a lot about farming but I found out differently in a hurry.

I have used the Extension Service from the very beginning. My father-in-law's farm was more or less run on the old pattern of a little of this and a little of that, and through the Extension Service we have changed it to where we have what I feel is quite an efficient operation, and it can be made more efficient.

We have gone to raising more corn and all our crops are fed to livestock with the exception of small grain and soybeans.

I am on 188 acres of which 150 acres are tillable, and the bulk of our crop is corn. We raise 85 or 90 acres of corn which go in our hog operation, which this year will run about 400 hogs.

The different methods of feeding and the new applications of fertilizer and so forth have benefited us tremendously. I feel if it were not for the county agent and the Extension Service and also Better Farming—Better Living we would not have progressed so tremendously.

We have only been on the farm 8 years and we have had four children since then and they really enjoy the farm and we feel that is the only place to raise them. Our program has become boiled down to about one operation. As far as our crops, they go in our hog operation.

Our hogs are the big thing. They require labor and of course a capital investment. Today you cannot just spend money and end up with nothing coming back in because it is a very tight situation. Through this method we have found we can set everything down and know where we will come out in the end.

I feel the Extension Service has aided me tremendously. In fact I have often thought if it had not been for the Extension Service I would not be a farmer today.

Mr. MARSHALL. Thank you.

Would you like to say something, Mrs. Johnson?

Mrs. JOHNSON. I would like to say Better Farming—Better Living has given us a great deal of self-confidence, and you have to have self-confidence. One of the first things we learned in Better Farming—Better Living is that you have to have a goal. So we have a goal and with our self-confidence everything we do has a purpose now and that means an awful lot.

Getting down to the exact details of what it has done for us so far, we remodeled our kitchen according to plans suggested and we are very pleased with it. Also, we have a landscaping plan for our farm that will make it more beautiful. And I think it has given me a lot of understanding of where the money is spent. You know, a wife can be pretty selfish. When her husband says we have to spend $1,000 for fertilizer, that is a big thing, but when we understand the results I am glad to go along with it. So, through cooperation I know we will reach our goal.

Mr. MARSHALL. Thank you very much for your fine statements. I might say this committee over the years has been very much interested in the work of our agricultural colleges and the Extension Service is certainly an important link, because while the land grant colleges do important work there needs to be a connecting link from the farm people.

We appreciate your coming here and giving us the benefit of your views.

Mr. HORAN. Mr. Chairman, could we have the names of your county agent and his staff inserted in the record at this point?

Mr. BRECHBILL. Yes.

(The list follows:)

County agent and staff for DeKalb County, Ind.: Ernest Lesiuck, county agent; Albert Pell, assistant county agent; William McIntyre, better farming and better living agent; Miss Patty Lou Young, home demonstration agent.

Mr. ANDERSEN. Mr. Chairman, I am glad to see this group before us and, Ross, I appreciate your bringing them here.

Mr. ADAIR. I was glad to be able to bring them before this committee.

Mr. ANDERSEN. You people have one of the finest Congressmen in Mr. Ross Adair that we have in Washington, and your coming here is more or less a pat on the back to those of us who sit on this side of the table.

Let me point out that this committee is interested in the Extension Service as evidenced by the fact 7 short years ago the Extension Service received approximately $32 million, and now we have a budget for about $56 million for the Extension Service, an increase of $24 million, which is roughly a 75-percent increase.

I have been interested in the Extension Service for 41 years, to be exact. Way back in 1919 I started helping young folks get started in 4–H work and I have always thought Extension was a wonderful program.

And let me point out that the father of our chairman of today, Mr. Fred Marshall's father, was the first county agent in the State of Minnesota way back in 1912 or 1913, was it not?

Mr. MARSHALL. 1912. And if you will permit me at this moment to say, I notice you used the term "Better Living—Better Farming." The slogan then was three ears of corn set up in a triangle with the words "Better Farming—Better Business—Better Living."

Mr. ANDERSEN. It does us good to have you come and tell us the benefits from the program because otherwise we may become doubtful of our judgment.

Mr. NATCHER. I, too, want to join my colleagues in commending these fine people for their appearance today.

Mr. MARSHALL. Thank you very much.

Mr. ADAIR. Thank you.

FRIDAY, MARCH 18, 1960.

AGRICULTURAL CONSERVATION PROGRAM

WITNESS

ROBERT M. KOCH, PRESIDENT, NATIONAL LIMESTONE INSTITUTE, INC.

Mr. MARSHALL. At this time the committee will be pleased to hear from Mr. Robert M. Koch, president of the National Limestone Institute.

Mr. Koch, do you have a statement you want to present to the committee?

Mr. KOCH. Yes, Mr. Chairman. Thank you very much.

Mr. Chairman and members of the committee, I very much appreciate the opportunity to return once again before this committee which has done so much to maintain the agricultural conservation program at a practical working level of at least $250 million for the more than 1 million farmers who regularly participate in it. I realize that I do not have to repeat for you why this program is of so much value not just to American agriculture, but to the consumers of our country. Consequently, I would just like to outline some of the observations which I have been privileged to make during my contacts this past year, at the county, State, and more particularly, the regional level. Because of the physical limitations on my own time in conducting the business of our institute, I have not been able to make as many contacts at the farm and county levels as I used to. I do attend some of the regional meetings, not officially of course, but merely as an observer, for it gives me an opportunity to get better acquainted with the State committeemen who, as you know, are generally on a 3-year rotational appointment. In recent years all of these State ASC committees have been appointed by Secretary Benson. It seems to me particularly significant, in view of his and this administration's adamant position concerning the ACP since they took over in 1953, that these State committees are almost unanimous in their opinion that the ACP is an excellent program. I want to make it very clear that a very small minority in their private conversations with me have completely backed Mr. Benson. I should also add that in a

great many instances the Secretary has been guided in his selection by strong endorsements from the American and State farm bureaus and I know I do not have to tell this committee that the American Farm Bureau not only strongly supports Secretary Benson, but even prior to his being named to the Cabinet were critical of the ACP In spite of this, I am very pleased to report that if there is somewayin which this committee could talk to or take a poll of the present State ASC committees, they would find them overwhelmingly in support of the $250 million for the ACP. Furthermore, they would tell you that in addition to being very effective in carrying out the express wishes of Congress in the field of conservation, the ACP is accomplishing more per tax dollar than any other program under their administration. I do not and I know they do not say this in the spirit of criticizing other activities, but only to point up the tremendous value and efficiency of the ACP.

All of us who work with this program, and as you know I have been closely associated with it since 1936, would be the first to say it is not perfect and there is room for improvement—but in the face of an antagonistic administration it is all the more amazing that it has such universal acceptance. During my travels throughout the Nation I have an opportunity to visit with college officials, county agents, foresters, soil conservation district supervisors, and many others. The overwhelming majority of them not only recognize the merit of this program, but are willing to endorse it.

You recall that a year ago, after this committee and the House restored the budget request to the full $250 million, there was an effort made in the Senate to cut the program back to $100 million. At that time, Senator Aiken made a very fine statement in support of the ACP as did a number of other Senators. As this committee knows, in practically every appearance before you when I have been testifying in support of the ACP, I have stressed the point that we in this industry are not asking the Congress to appropriate one dollar because of the fact that the ACP benefits those of our members who sell agricultural limestone. Unless you can justify it on the basis of its benefit to agriculture and the Nation as a whole—and of course we are confident that you can—we believe that you should not follow the administration's request to drop this program to $100 million, which would make it practically useless, but that you should eliminate it.

When I first appeared in support of the ACP this industry bias was raised so frequently, particularly because of the strong statements made by the American Farm Bureau, we decided to survey large numbers of farmers. After the attack on the program in the Senate last year we decided that perhaps the time was ripe to make another survey. Consequently, we decided to make a postcard survey of 5,000 farmers per State and a lesser amount in some of the smaller States, in each State represented by the 26 Senators who voted to reduce the ACP to $100 million. Attached is a copy of the letter which we sent enclosing Senator Aiken's comments about the ACP and the postcard which we used in the survey. As I am sure you know, a 4- or 5-percent return in such a postcard survey is considered very good. Our returns were exceptionally high, running over 11 percent in some instances. The attached summary shows how the farmers voted in regard to the ACP. Nationally, over 80 percent of

the farmers thought that the program should be continued at the $250 million level. Sixty percent of these farmers thought that the program should be restored to the full $500 million which Congress authorized in the original Soil Conservation and Domestic Allotment Act. I cannot overstress the fact that this is the rock bottom support that this program has because the States in the South and several in the Midwest and Far West, where the program has very strong support, were not surveyed because the Senators in these States supported the program in the vote last year.

If the action of this committee in recent years is any criteria, we are of course confident that the ACP will be held at the $250 million level because you men know of the tremendous amount of good which is being done by this program that reaches more farmers than any other agricultural program ever devised by the Congress or the executive branch.

In closing I would like to make three more points. First, we learned a few years ago that it is not enough for the Congress to authorize these funds because of the attitude of certain high officials in this administration. Consequently, I hope that you will again include the wording which precludes high Department of Agriculture officials from emasculating this program by issuing restrictive regulations to the States and counties. The wording which requires changes from previous programs to be initiated by the county committees must, in the opinion of many, be retained to safeguard the $250 million authorized for 1961. I am sure I don't have to point out to this committee that if the President's request for the item veto is granted, this program would be one of the first on which he would use it.

While it is not entirely within the purview of this committee, I would like to stress once again that those of us who have an opportunity to work closely with the county office employees administering not only this but all ASC programs, feel that the Congress should take steps to adjust the workload, the salary scale and the fringe benefits of these employees on a comparable basis with other Federal agencies and the civil service employees.

Also attached are some charts comparing agricultural production in recent years with expenditures under the conservation reserve program which, of course, is the only part of the soil bank still in operation. While this phase of the soil bank has been materially helpful to some of our members' business and for that reason some may think this organization should support it, I should like to point out to this committee that the overwhelming majority of our members who are benefiting from the conservation reserve program feel that it is basically unsound as it operates in their communities and that it should be terminated. As we see it in operation in our day to day contacts with farmers, we believe that it is not accomplishing the purposes for which it was established and that what small good is accomplished is at a terrific cost. We are generally of the opinion that there are other ways in which our agricultural problems can be solved more efficiently and more effectively. It is our opinion that if the conservation reserve program were effective, the production lines on the attached charts would have long since turned down and that the tremendous amount of surpluses, with which our economy is currently burdened, would be lowered. While we hope that the legislative committee will not extend the conservation reserve program, if it does we would like to

suggest to this committee that a more effective expenditure of funds would result if they were authorized under the Soil Conservation and Domestic Allotment Act. This act would provide, in our opinion, more effective reductions if those phases of it dealing with crop reduction were in effect. Beside the $1.8 billion already spent, it is our understanding that the contracts let under the conservation reserve program through 1959, and which have a number of years yet to run—in some cases through 1969—will cost approximately $1.2 billion. As stated before, we believe that crop reduction can be secured more advantageously in other ways and more effective conservation can be secured by expanding the ACP.

I very much appreciate the opportunity to appear before this committee today in support of the ACP which is so important not only to the consumers and farmers of our present population, but to the future generations which are yet to come.

I wish to request that the supplementary statements be placed in the record.

Mr. MARSHALL. The statements will be placed in the record at this point.

NATIONAL AGRICULTURAL LIMESTONE INSTITUTE, INC.,
Washington, D.C., November 27, 1959

To Farmers in the State of Illinois:

For several years the agricultural conservation program has been attacked by many interests who would like to see it eliminated or drastically reduced. Indications are that next year, as soon as Congress takes up the Department of Agriculture budget, another attempt will be made to reduce this program. As you know the Congress, when it passed the Soil Conservation and Domestic Allotment Act which authorizes the ACP at $500 million each year, said it was in the best interest of all the Nation—not just the farmers—to see to it that the soil and water resources of this Nation be conserved and preserved for future generations. Now there are 1,250,000 farmers in the Nation participating in the ACP each year—working in partnership with their Government (actually the taxpayers of the Nation)—to carry out conservation practices for the good of all consumers.

During the debate last year when a serious effort was made to curtail the ACP from $250 million to $100 million, Senator Dirksen and Senator Douglas of your State voted against maintaining this program. Fortunately they were in the minority and the program was left at $250 million by a vote of 51 to 26.

Senator Williams of Delaware offered the amendment to reduce the ACP from $250 million to $100 million and your Senators voted with him. Enclosed is a reprint taken from the Congressional Record during the debate. Won't you read the excellent comments by Senator Aiken and Senator Prouty? Don't you think that Senator Dirksen and Senator Douglas should take the same position on the agricultural conservation program as these two Republican Senators from Vermont?

We are running this survey in the States of the 26 Senators who voted for the $100 million amendment. We are not trying to defeat these Senators, as some will charge, but only trying to develop farmer views to pass on to them. The last time we surveyed farmers in your State over 87 percent indicated the program should be continued and over 84 percent said it should be increased. Please indicate your views on the enclosed post card and also write your Senators or better yet see them while they are home now.

Sincerely yours,

ROBERT M. KOCH, *President.*

[From the Congressional Record, 86th Cong., 1st sess., June 2, 1959]

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

Mr. WILLIAMS of Delaware. Mr. President, the purpose of this amendment is to strike out, on page 12, line 15, the figure "$250,000,000", and to insert in lieu thereof "$100,000,000." The amendment represents a cut of $150 million.

This amendment is in line with the recommendations of the Bureau of the Budget. * * *

Mr. RUSSELL. Ever since Mr. Benson has been Secretary of Agriculture, he has tried to destroy the agricultural conservation program. He has submitted, each year, budget estimates ranging from $100 million to about $175 million. Of course, the administrative expense of the program is about $42 million including transfers to the Soil Conservation Service. If we are going to trim the amounts down to $100 million, we ought to abolish it altogether.

It would be too extravagant to have a $100 million program for farmers that cost $42 million to administer. * * *

Mr. AIKEN. Mr. President, 25 years ago this country was plagued by a great depression. It was plagued by surpluses of farm commodities. Corn was selling for as low as from 10 to 15 cents a bushel, and wheat was selling at from 30 to 40 cents a bushel. Other farm commodities were selling at comparable low prices.

Our country was being plagued by the disappearance of the fertility of our soil. Dust storms were sweeping across the Plains States. Some of those storms covered thousands of square miles. The disappearance of our soil fertility was not confined to the West. It was disappearing, on a smaller scale, throughout the Eastern States.

Fortunately at that time there were those who realized that although we might have surpluses of farm commodities at ruinous prices, the time would come when we would require more to take care of the next generation than we were producing during the 1930's. Therefore, several programs were started. One was the rural electrification program. One was the agricultural conservation program, which got underway, as I recall, in 1935 or 1936, or about that time. That is the program which is now under discussion. It is the ACP program, as it is now called. We were able, during World War II, to increase the fertility of our soil, so that we could produce all the food which was needed to maintain our country and our allies. It was a remarkable performance and was probably exceeded only by the American fighting men themselves.

American agriculture doubled its production. It has increased its production since then, until at present 50 million more people are being fed than were here at the time when the ACP program was begun. I venture to say that if it had not been for this program, it would not be possible to feed the present population of the United States. This is a program which seeks to conserve the water resources, the soil resources, and the forest resources of the United States. It has been a very effective program. It has cost something. It has cost the farmer who has participated in it; it has cost the Government—and the Government, in my opinion, is the people—to pay the price of conserving and improving the soil, water, and forest resources of our country.

There has never been the soil fertility in this Nation—at least not during a period of 100 years—which exists today. There has never been the ability to produce which exists today. The United States is the greatest producing nation on the face of the earth. Yet people complain because we have plenty. We have too much wheat today, temporarily. We have more eggs and poultry products than we need, and because of that situation many people are getting hurt. Some of them did not use good judgment in going into the poultry business at the time they did. But if it had not been for the ACP, about which we are now talking, it would not be possible to feed the present population of the United States.

I am sorry I cannot agree with the Senator from Delaware, as I frequently do. I am sorry to say that I cannot do so because I firmly believe that if the farm programs of the United States were suspended for 5 years, we would be asking other countries to send us food. The United States is expected to have an increase in population of not less than 3 million a year. That is about the number of people who live in Norway, as I recall. Three million is the population of one of our fair-sized States. We simply cannot let down on maintaining our ability to produce enough to feed and clothe a constantly increasing population.

I am sorry the administration takes the position it does, and wants to cut the ACP program. I am sorry it has tried to cut the ACP program and several other programs. Nevertheless, I realize it has the right to take the position it has. But I point out what the same people who are asking us to reduce the appropriation for the agricultural conservation program from $200 million to $150 million a year are asking us to do in other lines.

They are asking for $3,900 million for foreign aid programs. They are asking us to increase our contribution in gold to the International Monetary Fund $1,375 million. They have asked us to guarantee an increase in investments in the World Bank totaling $3,150 million. I think they have asked us formally—I am pretty sure they have—to prepare for a contribution of $400 million in our cash and credit for the Inter-American Bank. They are asking us to guarantee pri-

vate investments in foreign countries—what the amount is, I am not sure. It has been $500 million, and I think they are asking for another $500 million at this time.

That makes a total of $9,325 million which the administration is asking for foreign countries, at the same time that it is trying to cut $150 million off the future water and soil resources of the United States. I do not think that makes sense.

I am willing to balance the budget. I am willing to take it out of the $9,325 million. Up to now I have supported the administration's foreign aid programs, but, if I now have to choose between doing those things which should be done for the people of the United States, and doing them for the people of all the rest of the world, I will vote for the United States.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HUMPHREY. I compliment the Senator from Vermont. I think he has made one of the most eloquent and persuasive statements which have been made in behalf of this program. The Senator has given his life to the program.

He has made every argument which could possibly be made in support of the agricultural conservation program. I salute the distinguished Senator from Vermont.

Mr. WILLIAMS of Delaware. Mr. President, there is no Member of the Senate for whom I have a higher regard than the Senator from Vermont, even though occasionally I differ with him. However, in reference to the long list of projects which he read as having been recommended by both the preceding administration and this administration, I think he will agree that I opposed many of them in the same manner as I am opposing the one which is now before the Senate * * *

Mr. PROUTY. Mr. President, I am happy to join with my distinguished colleague from Vermont [Mr. Aiken] in opposition to the pending amendment.

Our big problem in Vermont, as pointed out by speakers at the annual State ASC conference, is not how to spend our funds or how to spend them wisely, but, rather, the problem is determining how the small amount of funds made available to Vermont under the ACP program can be distributed to all the farms that want and need to participate.

It is easy to observe how important the agricultural conservation program is to Vermont when one takes a close look at the record. The State has traditionally led the country in the percentage of farms participating. For example, in 1957 62 percent of the farms in Vermont engaged in some activities from which they received cost-share allowances in accordance with the ACP.

At the present time we have 79 percent of our cropland participating, compared to a national average of about 36 percent. Our Vermont program is set up primarily to help establish a sod ground. Our aim in the use of minerals is not for direct production, but, rather, through the use of minerals to build up a better sod which will, over a period of years, aid materially our conservation effort.

In a talk before the annual ASC conference a representative of one of the largest banks in Vermont demonstrated the confidence which the banking community has in the ACP program and the farmers who participate in it.

The banker had this to say: "It is probably not safe to make any estimate of the total financial assistance that has been required to carry out the 1958 ACP program, which is reported as involving $800,000 in Vermont. However, a sort of an educated guess might be that lenders of all kinds have been involved in 50 percent of this volume. The main inference that could be drawn from these hastily collected statistics is, first, that Vermont banks are fully in sympathy with the ACP program; and, second, that they stand ready to back up this sympathy with loan funds to practically 95 percent of the requests."

Bankers have never been known to be softhearted or overly sentimental, and I think in the case of Vermont they strongly back the ACP program, because they know it is protecting our soil and our forest resources, increasing our efficiency of production, and at the same time making possible a larger income for Vermont farmers.

A recent report shows that over the years more than $8 million have been collected from Vermont farmers to pay for materials provided for them under the ACP, and it is estimated that farmers in the State have incurred additional expenses of $14½ million in order to carry on programs of improved practices to promote desirable land use and conservation of the soil.

If the farmers of Vermont and throughout America are willing to dig deep into their pockets to protect the soil, one of our greatest resources, then it would be tragic indeed for Congress to refuse to do its share and force the farmers to assume conservation costs beyond the point he can afford.

I strongly urge that we act in the interest of both the present and future by approving today the full amount recommended by the Appropriations Committee for the 1960 agricultural conservation program.

Mr. HUMPHREY. Mr. President, in the light of the discussion which has taken place, particularly on the part of the Senator from Delaware, it seems to me it might be appropriate to have the Record complete as to the accomplishments of the agricultural conservation program.

I should like to quote from the testimony on page 363 of the hearings with regard to H.R. 7175, which is the testimony of Mr. Koger, who is the Administrator of the agricultural conservation program service.

Mr. Koger was discussing the benefits of the program, the costs involved, and the nature of the services. He stated, for example:

"The average amount of assistance per participant in the 1957 program was $179, or $186 per farm for the 1,161,000 participating farms."

I think it is well for the Senate to note and for the public to note that 1,161,000 farms were the beneficiaries of sound soil conservation practices of an enduring nature.

The next line of Mr. Koger's testimony I think is the most convincing. He says:

"About 83 percent of the cost-sharing payments was for practices classified in the ACP National Bulletin, as having enduring benefits. The remaining 17 percent was used for practices with benefits of limited duration, such as the establishment of annual vegetative cover, and measures primarily for temporary protection from wind and water erosion."

A little later in the same testimony the Administrator of the program said:

"In keeping with the Secretary's announced policy that the ACP is to give particular attention to those conservation measures which are of major importance to farmers in making a transition from crlpland to grass or trees and in keeping in protected cover land which otherwise might be shifted to a more intensive use, we have continued that type of program emphasis."

This is a direct answer to the statement made by the distinguished Senator from Delaware that all we are doing with the ACP is to intensify production. In fact, what we have been doing in a good deal of the program is to shift the land use from intensive cultivation to grass or to trees.

A little further in his testimony Mr. Koger says:

"To illustrate, during the last 5 years, 1954 to 1958, inclusive, ACP has shared costs on the establishment of about 22 million avres of vegetative cover. A high percentage of this land was, prior to its establishment in conservation cover, cropland producing at an intensive level. These 22 million acres are made up of about 7½ million acres of practice A–2," which means permanent vegetative cover for soil protection, "11 million acres of practice A–3," which means additional acres of vegetative cover and crop rotation to retard erosion and to improve the soil structure, as well as to increase the water holding capacity—"2½ million acres of practice D–4." Another one of the so-called permanent practices which has been authorized by the ACP, which is a vegetative cover to protect cropland throughout the crop year, "and about 1 million acres of practices A–7 and A–8, trees and shrubs planted for permanent retirement of farmland from field crops and pasture."

These instances which I cite from the hearings should be adequate evidence of the purposes of the program.

I wish to say, most respectfully, to my colleague, I cannot imagine anyone who lives in a great metropolitan area who would want at any time to do anything which would retard the protection of our soil resources.

The other day a gentleman, who has dedicated his life to soil conservation, came to see me. He had been flying over the delta region of the Mississippi River and he had seen the good earth literally falling in to the sea. This was the good earth from the area of the Mississippi River and its tributaries—the Mississippi River watershed, so to speak.

All one has to do in order to see America being eroded is to fly in a helicopter or an airplane over the delta region of the Mississippi River, and witness the land literally being spewed out into the ocean.

This program does not involve simply the liming of the soil. It does not involve only some temporary practice. As a matter of fact, I believe the evidence will reveal that a good deal of the program, as I recall the testimony, as shown on page 364 of the hearings, relates to watersheds. * * *

The Presiding Officer.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. Williams]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 26, nays 51, as follows:

YEAS—26

Anderson	Dirksen	Kuchel
Beall	Douglas	Lausche
Bennett	Frear	Martin
Bridges	Goldwater	Morton
Bush	Gruening	Saltonstall
Butler	Hickenlooper	Scott
Case, N.J.	Hruska	Smith
Cotton	Javits	Williams, Del.
Curtis	Keating	

NAYS—51

Aiken	Hart	Mundt
Allott	Hayden	Neuberger
Bartlett	Hill	O'Mahoney
Bible	Holland	Prouty
Byrd, W. Va.	Humphrey	Proxmire
Cannon	Jackson	Randolph
Carroll	Johnson, Tex.	Robertson
Chavez	Johnston, S.C.	Russell
Church	Jordan	Sparkman
Clark	Kerr	Stennis
Cooper	Langer	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	Mansfield	Wiley
Ellender	McCarthy	Williams, N.J.
Engle	McClellan	Yarborough
Ervin	McNamara	Young, N. Dak.
Gore	Monroney	Young, Ohio

NOT VOTING—21

Byrd, Va.	Hartke	Moss
Capehart	Hennings	Murray
Carlson	Kefauver	Muskie
Case, S. Dak.	Kennedy	Pastore
Dodd	Long	Schoeppel
Fulbright	McGee	Smathers
Green	Morse	Symington

So the amendment of Mr. Williams of Delaware was rejected.

RESULTS OF NATIONAL SURVEY OF FARMER OPINION OF THE AGRICULTURAL CONSERVATION PROGRAM BY THE NATIONAL LIMESTONE INSTITUTE

Over 70,000 farmers were surveyed in the States of the 26 Senators who voted to reduce the 1960 agricultural conservation program to $100 million.

Summary all States	Percent vote to continue agricultural conservation program at $250,000,000	Percent vote to cut agricultural conservation program to $100,000,000	Percent vote to increase agricultural conservation program to $500,000,000
All farmers	81.6	18.4	60.2
Farm Bureau members	81.1	18.9	60.4
Farmers Union members	91.6	8.4	73.3
Grange members	81.6	18.4	55.2

	Percent vote to continue ACP	Percent vote to cut ACP	Percent vote to increase ACP [1]
Arizona:			
All farmers	65.0	35.0	59.4
Farm Bureau members	63.3	36.7	57.9
Farmers Union members			
Grange members			
California:			
All farmers	54.4	45.6	46.6
Farm Bureau members	52.2	47.8	43.9
Farmers Union members			
Grange members	68.6	31.4	42.9
Connecticut:			
All farmers	83.7	16.3	50.7
Farm Bureau members	79.2	20.8	51.3
Farmers Union members			
Grange members	90.7	9.3	42.9
Delaware:			
All farmers	62.3	37.7	66.3
Farm Bureau members	58.3	41.7	62.9
Farmers Union members			
Grange members	70.8	29.2	70.6
Maryland:			
All farmers	76.0	24.0	60.3
Farm Bureau members	75.8	24.2	55.8
Grange members	71.4	28.6	50.0
Massachusetts:			
All farmers	77.4	22.6	55.8
Farm Bureau members	78.0	22.0	55.9
Farmers Union members	90.9	9.1	80.0
Grange members	72.5	27.5	54.7
Nebraska:			
All farmers	89.5	10.5	65.4
Farm Bureau members	85.5	14.5	53.8
Farmers Union members	89.5	10.5	74.5
Grange members	90.0	10.0	100.0
New Hampshire:			
All farmers	65.6	34.4	43.6
Farm Bureau members	70.2	29.8	43.2
Farmers Union members			
Grange members	63.2	36.8	43.6
New Jersey:			
All farmers	73.3	26.7	64.6
Farm Bureau members	74.7	25.3	66.1
Farmers Union members	80.0	20.0	75.0
Grange members	70.0	30.0	63.3
Illinois:			
All farmers	83.4	16.6	63.7
Farm Bureau members	84.9	15.1	66.2
Farmers Union members	92.9	7.1	74.4
Grange members	75.0	25.0	55.6
Iowa:			
All farmers	91.5	8.5	66.5
Farm Bureau members	90.8	9.2	63.8
Farmers Union members	100.0	0	80.9
Grange members	62.5	37.5	60.0
Kentucky:			
All farmers	95.6	4.4	75.4
Farm Bureau members	95.5	4.5	74.8
Farmers Union members	100.0	0	64.3
Grange members			
Maine:			
All farmers	88.2	11.8	58.2
Farm Bureau members	90.1	9.9	60.6
Farmers Union members	100.0	0	50.0
Grange members	87.0	13.0	54.1
New Mexico:			
All farmers	85.8	14.2	65.7
Farm Bureau members	87.6	12.4	65.7
Grange members			
New York:			
All farmers	77.3	22.7	47.4
Farm Bureau members	73.7	26.3	46.4
Farmers Union members	82.4	17.6	57.1
Grange members	78.2	21.8	47.4
Ohio:			
All farmers	90.2	9.8	69.7
Farm Bureau members	90.0	10.0	66.9
Farmers Union members	97.1	2.9	82.4
Grange members	91.3	8.7	70.2
Pennsylvania:			
All farmers	88.9	11.1	56.2
Farm Bureau members	86.5	13.5	60.6
Farmers Union members	88.1	11.9	69.5
Grange members	91.0	9.0	50.8

See footnotes at end of table, p. 298.

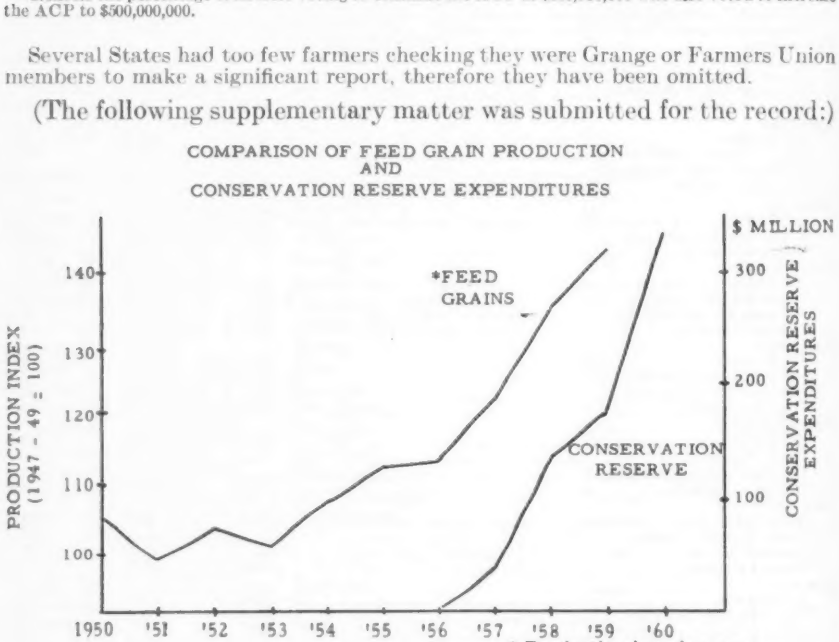
	Percent vote to continue ACP	Percent vote to cut ACP	Percent vote to increase ACP [1]
Utah:			
All farmers	79.8	20.2	65.3
Farm Bureau members	86.7	13.3	53.8
Farmers Union members	83.3	16.7	85.0
Grange members			

[1] Reflects the percentage of farmers voting to continue the ACP at $250,000,000 who also voted to increase the ACP to $500,000,000.

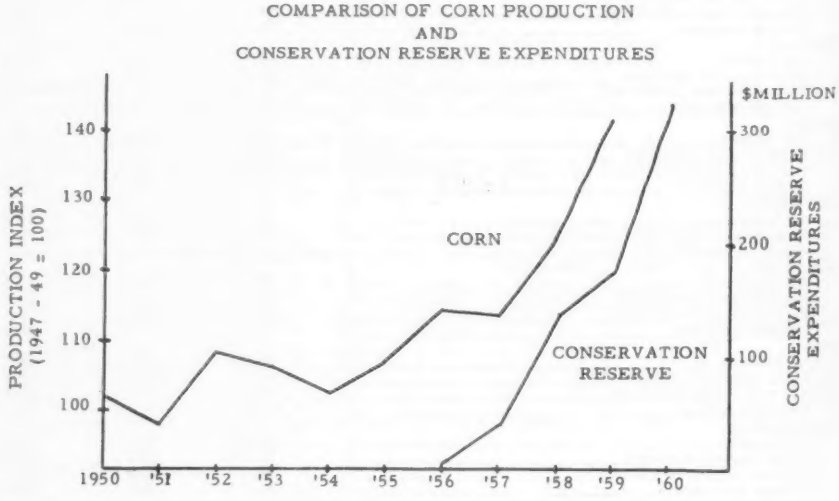
Several States had too few farmers checking they were Grange or Farmers Union members to make a significant report, therefore they have been omitted.

(The following supplementary matter was submitted for the record:)

COMPARISON OF FEED GRAIN PRODUCTION
AND
CONSERVATION RESERVE EXPENDITURES



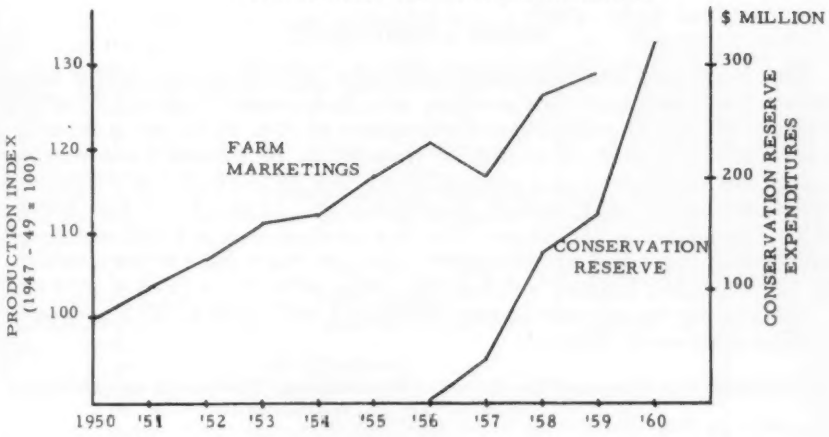
COMPARISON OF CORN PRODUCTION
AND
CONSERVATION RESERVE EXPENDITURES



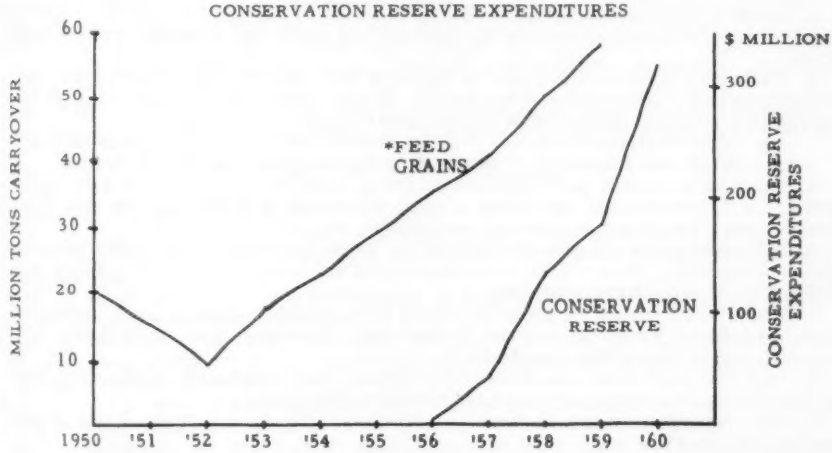
SOURCE: USDA

NLI - 1960

COMPARISON OF TOTAL FARM MARKETINGS
AND
CONSERVATION RESERVE EXPENDITURES



COMPARISON OF GOVERNMENT STOCK CARRYOVER
OF CORN AND FEED GRAINS
AND
CONSERVATION RESERVE EXPENDITURES



*Carryover based on corn feeding equivalents.

SOURCE: USDA

NLI - 1960

Mr. MARSHALL. We wish to thank you for appearing before the committee, Mr. Koch. You do a fine job of representing the National Limestone Institute and we on this committee always look forward to your views.

Mr. KOCH. Thank you.

RURAL DEVELOPMENT

Mr. NATCHER. Our executive secretary, Mr. Pope, received a letter today from Kenneth Branstetter, who is a member of the Metcalfe County Rural Development Committee of the State of Kentucky, informing him that it would be impossible to attend as a witness before our committee at 4 o'clock today due to the weather conditions which are now right bad in Kentucky and throughout the South. With the letter to Mr. Pope, Mr. Branstetter sent a brief statement concerning the rural development setup in Metcalfe County, which, by the way, Mr. Horan, is one of the three pilot counties in Kentucky.

If there are no objections this statement will be filed for the record.

(The statement follows:)

LAY COMMITTEE PROGRESS IN RURAL DEVELOPMENT, METCALFE DEVELOPMENT COUNCIL, ALBERT VAN ZANT, CHAIRMAN

COMMITTEES

Agriculture: Hobart Scott, chairman.
Education: Mrs. Stanley Jeffries, chairman.
Community services: Katheryn Miller and Bobby Branstetter, cochairmen.

AGRICULTURAL PROGRESS

1. There is an organized and cooperative effort of lay people—agency, education, and agricultural personnel—to develop and carry out a unified program of work.

2. Through cooperative efforts of farmers and leaders, the county attained modified-certified brucellosis-free status. Heavy infestation of this disease required two complete tests of 16,000 animals to be made.

A. An educational program is being carried out to keep all calves calfhood vaccinated and insure the movement of disease-free animals on farms.

3. Through increased participation in group meetings and adult classes, farm and home improvements are being made. Examples are milking parlors, food freezers, electric ranges, telephones, remodeling, etc.

4. Fifty-two adult classes, 6 meetings or more, have been held with farmers and homemakers, 15 of which were vocational trades and industry classes and 752 different people have attended.

5. Educational efforts by all agricultural and agency personnel have increased farm and home planning, improved land use, increased unit production, and aided in marketing of farm products.

6. As a result of rural development activities, farm planning, application and applicable conservation practices have increased 30 percent.

7. ASC reports increase in new participants. These are from small farm-low income group.

8. Farm use of credit has increased as reported by all lending agencies in the county:

A. PCA loans to farmers totaled for September 1957, $100,000; September 1958, $200,000; September 1959, $280,000.

B. County bank loans were: 1957, $840,525; 1958, $943,399, an increase of 20 percent; 1959, $1,096,366, an increase of 16 percent. Average increase, 18 percent.

C. FHA loans in the 1958 fiscal year were $26,000. During the 1959 fiscal year they increased to $109,120, a 262 percent increase over 1958.

This increase in farmer use of credit represents investments in—

(*a*) Increase size of farm business.
(*b*) Improve livestock and soil improvement programs.
(*c*) Repair and improvement of farm buildings.

9. Artificial breeding program increased its services 37 percent in 1959.

10. Continuous increase in number and quality of dairy animals in county: 700 quality dairy heifers were imported in 1959. This county has the highest number of cows per 1,000 acres in this area and is in the top group for the State.

EDUCATIONAL PROGRESS

1. Citizens of Metcalfe County were alerted to needs in school facilities. Results were changes in attitudes and a change in tax status. This made possible the construction of modern school buildings and has speeded up plans for consolidation. There now exists 1 new high school, 2 new grade centers, and 6 of the original seventy-two 1-room schools. A grade center with 25 classroom units is to be completed in 6 to 8 years at Metcalfe County High School grounds, eliminating all old buildings now in use. This improvement is to start this year.

2. Landscaping of new schools has started.

3. School attendance has increased 5 percentage points, from 88 to 93 percent.

4. A testing program for all schools in the county has started, testing for both achievement and mental aptitude.

5. A part-time guidance program is in existence at the high school level and is being developed for all schools. There are qualified guidance personnel on the faculty part time of the three graded centers.

6. Membership and PTA activities have increased 300 percent in the county. Some projects are:

(*a*) Increasing school attendance.

(*b*) Sponsoring clothing bank at each consolidated school (200 children have received clothing in 1959).

(*c*) Established recreation facilities including football and baseball at the high school.

7. Preparatory course for parents of preschool children held this year. Preregistration of children and orientation of parents, acquainting both with school facilities and personnel.

8. There are 26 organized 4–H Clubs with membership of 481 enrolled in 1,065 projects. This represents an increase of 80 percent over 1956.

9. This year Metcalfe County FFA Chapter was a "National Gold Emblem Chapter," an honor bestowed upon 56 chapters in the United States. This FFA chapter has been the recipient of this honor three times in the last 4 years. Fifty boys planning and carrying out complete farming programs made up of cash crops, feed crops, and livestock; total net earnings for last report year was $38,010.98.

10. Participation in all health services, including health education, immunization, dental, TB testing, inspection, plumbing, and waste disposal, has tripled.

COMMUNITY SERVICES PROGRESS

Goals of this committee are:

1. Work on school safety. School grounds have been enlarged, blind entrances removed, road signs installed, and youth safety projects are being carried out.

2. Assist volunteer fire department in acquiring funds for additional firetruck to serve county residents.

3. Support organized community groups in county. Four active community groups meet monthly, carry on program of activities, use agency services. Examples of their projects are.

(*a*) Lord's Acre project planned and carried out in the Cofer community. Projects resulted in a revival of community spirit, increased participation by families in planned activities, organized farmers, homemakers, churches, etc., into one cooperative unit.

(*b*) RTCC telephone service to be extended to Cofer in spring of 1960.

(*c*) Revena community purchased and redecorated building for local activities including organized Sunday school.

4. Five new churches completed in county, others in planning stage.

5. Increase in home water systems installed and construction of new homes and remodeling.

6. Purchased new city hall, housing fire department and gas company.

7. Natural gas system installed and is in operation in Edmonton.

8. A county recreation board set up—three members appointed by city board, three members by fiscal court.

9. Improvement in seeding and beautification of school grounds, athletic field, and fairgrounds.

10. Continuous improvement of county agricultural fair with countywide participation.

11. Improved and increased community library services, this serviced by regional library.

There has been a continuous increase and improvement in organized, unified effort by all people participating in RDP activities to improve the county socially and economically.

Mr. HORAN. I certainly appreciate the filing of this letter, and I want you to tell Mr. Branstetter that we are sorry he could not be here, because I have just glanced at this document here but it looks like he has laid it pretty well on the line.

One of the things I really like so far in this program has been the minimum of taxpayers' money that is used to achieve what appears to be a maximum of results, and you cannot beat that in anybody's language.

MARCH 18, 1960.

RABBIT EXPERIMENTATION STATION, FONTANA, CALIF.

WITNESSES

HON. KATHARINE ST. GEORGE, REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

DR. CHARLES A. SLANETZ, COLUMBIA UNIVERSITY, NEW YORK CITY

HARRY G. HERRLEIN, NEW YORK CITY, AMERICAN RABBIT BREEDERS ASSOCIATION

Mr. NATCHER. We are delighted to have with us at this time our colleague from New York, Mrs. St. George, together with Mr. Herrlein and other members interested in the American Rabbit Breeders Association.

Mrs. St. George, we would like for you to present these people to our committee.

Mrs. ST. GEORGE. Thank you very much, Mr. Chairman. I am very happy to appear before the committee and it is a pleasure to me to introduce my constituent and good friend, Mr. Harry G. Herrlein, who happens to reside in my district at New York, N.Y. He is accompanied by Dr. Charles A. Slanetz, director of the Animal Care Department of the College of Physicians and Surgeons of Columbia University at New York City. These gentlemen are appearing on the subject of funds which I deem to be very necessary for the Fontana, Calif., Rabbit Experiment Station. This station is a Federal station. It is very inadequate at present, for reasons which these gentlemen can explain far better than I can, and so with your permission, Mr. Chairman, I will introduce first Mr. Herrlein, who has a brief statement, and will, I am sure, answer any questions that you may have.

Mr. NATCHER. You may proceed, Mr. Herrlein.

Mr. HERRLEIN. This is addressed to the Honorable J. L. Whitten, chairman, Subcommittee on Agriculture Appropriations.

Our rabbit-raising industry consists of some 300,000 individuals engaged in the annual production of approximately 50 million pounds of rabbit meat, one of our staple flesh foods. Thousands of live domestic rabbits also are used daily in medical and biological research.

The limited staff and facilities of our U.S. Rabbit Experiment Station at Fontana, Calif., are at present unable to support the many problems in keeping with profitable production and animal quality similar to the support provided over the years by the Beltsville, Md., station to the poultry and dairy industry.

Any attempt to deal with prevailing problems currently plaguing profitable production and animal quality suitable for delicate research would involve detailed studies in considerable length pertaining to disease, nutrition, and management. The situation appears to be a major threat to the very existence of our domestic rabbit-producing industry and a serious hardship in the broad spectrum of such delicate research studies as cancer, cardiac surgery, venereal diseases, ophthalmology, hypertension, anatomical, hyperimmune sera, and allied vaccine production.

Since our accredited veterinary schools do not include the domestic rabbit in their curriculum, the demand upon the Fontana station is therefore brought into sharp focus for the scientific help which its present staff and facilities cannot cope with.

Adequate funds to transform our U.S. Rabbit Experiment Station into a useful tool, comparable to the status of Beltsville, would serve to alleviate the acute demand for immediate relief. This committee is therefore authorized to respectfully request consideration to increase the current token annual appropriation to $250,000 or $300,000 as an expansion program would indicate.

Mr. NATCHER. Mr. Herrlein, I want to thank you for your fine statement.

By the way, I want to say to you at this time that you are represented by one of the finest ladies in the House of Representatives and one of the ablest members of our House. As a Democrat I take great delight in making this statement.

Mrs. ST. GEORGE. I certainly appreciate that very much, Mr. Chairman, especially because you are a Democrat.

Mr. NATCHER. I have wanted to say that for a long time and this is the time.

Mr. HORAN. Republicans can be honest, too, Mr. Herrlein. I want to endorse and agree with what he said.

Mrs. ST. GEORGE. Thank you very much.

Mr. ANDERSON. I certainly do, too, Mr. Chairman. It is very kind of you to make that remark about Mrs. St. George. The nice part of it is she certainly deserves it.

Mr. NATCHER. Are there any questions, gentlemen, before we proceed?

Doctor, would you care to make a statement?

STATEMENT OF DR. CHARLES A. SLANETZ

Dr. SLANETZ. No. I am here on medical research. We are using more and more rabbits in our cancer work as well as vascular system studies, et cetera.

Within 2 years now we have used about four times as many rabbits in research that we did back before that. There has been a tremendous interest in rabbits. Of course, our problem is to get the good quality stock. We buy rabbits from the market for research. The quality is not what it should be. We unfortunately cannot raise animals in our limited space. In the Medical Center we just do not have room enough to do the research work. We would like to house the animals. We would like to do research on them. Therefore, if we could somehow get an improved quality animal it would be a tremendous help. It would reduce the necessity for using such large numbers of animals, plus the fact that one can get much more intelligent results with a good, healthy quality stock animal.

Mr. NATCHER. Thank you. We certainly have appreciated your appearance before our committee.

Mrs. ST. GEORGE. Thank you very much, Mr. Chairman.

MARCH 18, 1960.

RESEARCH AND MARKETING SERVICES

WITNESSES

HON. D. R. (BILLY) MATTHEWS, REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA
CARL BINGER, MANAGER, FLORIDA EGG COMMISSION
MR. McCOMB, MARKETING SPECIALIST, FLORIDA EGG COMMISSION
JIM WELLS, PRESIDENT, FLORIDA STATE POULTRY ASSOCIATION

Mr. NATCHER. We are delighted to have with us at this time our friend and colleague from Florida, Mr. Billy Matthews.

Mr. Matthews, we are always delighted to have you appear before this committee because we not only know of your interest in agriculture, but further, are well acquainted with the fact that in all matters concerning the American farmer and agriculture, you are always present and willing to lend your assistance in seeing that the interest of agriculture is protected. We are delighted to have you at this time, Mr. Matthews.

Mr. ANDERSEN. Mr. Chairman, with your permission, I want to join in those kind remarks relative to Mr. Matthews.

Mr. NATCHER. We would like for you to present your group. You may proceed in the order in which you desire.

Mr. MATTHEWS. Mr. Chairman, thank you, and Mr. Andersen, for the very gracious remarks you made. I am indeed happy to have the privilege today of bringing to you a problem that we in Florida are particularly concerned with insofar as our poultry industry is concerned. We realize just how busy you gentlemen are and to conserve time I want to introduce Mr. Carl Binger, manager of the Florida Egg Commission, and ask him, with your permission, if he will not introduce the other gentlemen who are with us and then one of them will give the brief testimony that we have.

Mr. BINGER. Mr. Chairman, gentlemen, I have with me today Mr. McComb, marketing specialist, working with the Florida Egg Commission, State of Florida, and Mr. Jim Wells, to my left. Jim is president of our Florida State Poultry Association.

We are here with reference to your budget estimates in the Department of Agriculture, I think on page 332 of the appropriations. We are particularly interested in the Research and Marketing Administration, matched funds program.

I think you realize in other States as well as Florida that the poultry industry is in dire need of assistance in the marketing of poultry and eggs, particularly at the present time.

The Department of Agriculture in the State of Florida has set aside or earmarked $20,000 for this coming fiscal year for our use for that purpose. I understand that the Research and Marketing matching funds program has set aside the sum of $10,000 in the present budget estimate.

We are here to ask you gentlemen to consider increasing that by the amount of $10,000 to equal the amount which the Department of Agriculture in the State of Florida is going to put up in the coming fiscal year for this purpose.

As to the details, I would like to let Mr. Wells, a poultryman in the State of Florida, as well as the president of the State association, take over and explain it to you.

Mr. WELLS. Thank you.

Gentlemen, I am honored appearing before such a committee as this. However, I am more respectful than ever because of the machinery that makes such a thing possible, that a poultryman from Florida, who was last night delivering eggs to stores, is today sitting before a committee of his own elected Congressmen to ask for assistance.

What we are asking for is not anything in the nature of a dole or price supports or anything like that. We have always been opposed to that. We believe that our problems are things that we must and should work out for ourselves and to that end some years ago we got our Florida Legislature to set up for us an egg commission, for which purpose we taxed ourselves 2 cents a case, which money is used for the promotion of an increased consumption of eggs so that you see what we are asking for here today is only an extension of what we are already doing for ourselves. Those taxes in themselves come to somewhere in the neighborhood of $40,000 a year. One thing I can assure you, that we in the poultry industry exercise a very watchful eye over our egg commission. I can tell you this, that we are very much proud of the wonderful work that they have done with the very limited funds that they have had.

They do spend a very minimum of money for anything that is not highly productive and certainly we think they extract $1.50 worth of good out of every dollar that they spend.

The commission itself is composed of practical poultrymen and also with members of the Florida Department of Agriculture.

The best effect I know of is the fact that we are doing a good job.

The latest figures on egg consumption, nationally, per capita—they are down and in the case of Florida, we have actually reversed that trend. In the last 2 years it shows an increase in per capita consumption.

I do not want to go into lengthy details of how the biggest part of this money is spent, but the inexpensive ways our Commission has found, are some of the very best ways of doing it. Instead of big

slashes of full-page newspaper advertisements, we use nice-looking young ladies in stores, explaining to people, especially to those who attempt to pass up the egg case just about the nutritional qualities of eggs, how to judge a good egg, what the advantages of serving eggs over, and one of the best experiences out of this has come this: That this is not a flash-in-the-pan idea. The stores which use this method of promoting eggs have regularly found that egg consumption was increased on a permanent basis. Besides this, they cooperate fully with the county agents who have TV time and they write scripts for them and put various ways of serving eggs and poultry and the county agents present these, all of which costs money.

We cooperate with home economics teachers in high schools and colleges in an effort to get the story of eggs' fine nutrition home to the young householders of tomorrow, and the home economics of the newspapers; in many of the biggest papers we have succeeded in getting full-page ads on the qualities of eggs, what constitutes a fine egg, and how good eggs are for you, all simply for the cost of the consultant's time.

The program is something that we are avidly behind. This amount of money would just be a much-needed amount to assist in pushing full progress in egg consumption forward because we have already laid the groundwork for the expense of administration, et cetera.

We would be very grateful for your consideration on this matching money.

Mr. MATTHEWS. Mr. Chairman, I believe that concludes our statement, unless the other gentleman wants to say anything more. We want to thank you very much for your very gracious reception. Of course, we will try to answer any questions that the committee would like to ask us. I am glad I have these experts with us here from Florida.

Mr. MARSHALL. I think maybe we ought to call your attention that the Congress has increased the appropriations for payments to States from the figure of $520,850 in 1952 to an appropriation of $1,195,000 in 1960, and the request before us is for $1,195,000. You see that the appropriations in this item have had quite a sizable increase over the short period of years. As you know from your experience on the great Committee on Agriculture, one of the things that we are being faced with is the cost of the agriculture program at the present time.

Nationwide, people look at these increases in the Department of Agriculture with a feeling that agriculture is being somewhat favored in the appropriation items, particularly at a time when we are having a difficult time staying within our Federal budget.

Mr. MATTHEWS. The committee has been very generous. May I respectfully point out this one very important difference in our poultry problems and the basic crops such as wheat and corn. I know all of these distinguished gentlemen realize it. That problem is, of course, that poultry does not have the benefit of the guaranteed price supports. They do participate in other programs of the Government, of course, including section 32 funds, but I do sincerely believe that this great industry in Florida is doing its best to solve its problems on its own, without dipping into the Federal Treasury any more than is necessary. This extra item of $10,000 that they are requesting I believe will be of tremendous benefit to them.

Mr. MARSHALL. Perhaps it might be well to just briefly comment that our people in our Agriculture Land-Grant College, in Minnesota, have pointed out the fact that we lost $100 million in cash farm income in 1 year and a good share of that loss in farm income came because of the decline in poultry and hog prices and in both instances one of the reasons given was the fact that the failure to keep our feed grains in balance with demand was a contributing factor to the overexpansion, if you will, of these two commodities of poultry and hogs. However, we do sincerely appreciate your coming before the committee and bringing your problem before this committee. We thank you very much.

Mr. WELLS. Mr. Chairman, may I add one more thought? It is just this: That perhaps I might mention the Florida eggs in particular take on much more of a national aspect than eggs do, for example, in almost any other State today because we in Florida produce only a little more than half of the eggs which we consume and the balance are brought in from other areas, such as Georgia, Mississippi, Minnesota, and the Carolinas, all of the big contributors, to Florida. Anything that we do takes on much more of a national flavor because we are truly promoting eggs from many other areas besides just our own.

Mr. MARSHALL. Thank you.

Mr. MATTHEWS. Thank you very much, gentlemen.

MARCH 18, 1960.

POTATO AND ONION RESEARCH

WITNESSES

HON. CLIFFORD G. McINTIRE, REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE
C. L. FITCH, AMES, IOWA
DAVID R. SMITH, CANASTOTA, N.Y., NEW YORK POTATO ASSOCIATION
C. JACK KENNEDY, CLEAR LAKE, IOWA
PAUL PETRAN, ALBERT LEA, MINN.
MRS. JOSEPHINE VAHLSING HEUSER, TRENTON, N.J.
HANK PETERSON, HANK PETERSON FARMS, MOORHEAD, MINN.
CHARLES HAULINE, PLYMOUTH, OHIO

Mr. MARSHALL. The committee will be in order.

At this time we are very pleased to have our good friend and colleague, Congressman McIntire of Maine, a member of the Agriculture Committee. A man that we know has been very much interested in the potato program as well as other agricultural problems throughout the country and a man who is a man that has been an extremely fair man. He has looked at the whole country. Sometimes some people have a tendency to be a little provincial. That is not so of the gentleman from Maine, Mr. McIntire. He is one of the most respected Members of Congress because he takes an interest in all of the agricultural aspects and the problems facing our country. It is a real pleasure always to have him before our committee. I am going to call upon him to introduce the group at this time.

Mr. McIntire. Thank you very kindly, Mr. Chairman. I appreciate your very kind introduction. I am sure that each member of this subcommittee is appreciative of the fact that coming from northern Maine, I have a particularly close interest in the potato industry there and nationwide; both potato and onion interests have often been together in a discussion of their mutual problems, although their commodity is a bit different in some respects. However, I am particularly delighted that I have been given the opportunity to introduce to you, Mr. Chairman, and other members of the subcommittee, the representatives of the National Potato and Onion Committee, who are here today to express to you the importance of some of our plant breeding programs within the potato and onion industry. These gentlemen and Mrs. Heuser can speak more effectively and more knowledgeably of many of the details. I would only say that certainly from the potato industry standpoint, we realize in Maine the vital importance of potato breeding. These folks are here to present to you their expressions of concern and suggestions relative to a constructive plant breeding program in the potato and onion industry.

I am sure many of you know one of this group who is known far and wide in the United States for his work in the potato and onion industry, and that is Mr. C. L. Fitch of Ames, Iowa, who is sitting over at the other end. Those of us who read the produce papers every week are always interested in reading what Dr. Fitch has to write.

Mr. Andersen. I might say, Congressman, that we have had the pleasure of having Dr. Fitch before this subcommittee a good many times. We are always glad to see him.

Mr. Fitch. He does not belong to the team but he may be the coach.

Mr. McIntire. May I introduce Mr. David Smith of Canastota, N.Y., of the New York Potato Association, Mr. Jack Kennedy, of Clear Lake, Iowa, Mr. Paul Petran, Albert Lea, Minn. You gentlemen from Minnesota probably know him, Mrs. Josephine Vahlsin Heuser of New Jersey. The name "Heuser" is certainly a name well-known in the fruit and vegetable industry, and Mr. Charles Hauline of Plymouth, Ohio.

Mr. Chairman, gentlemen of the committee, I am pleased to have this opportunity to present these folks. If I understand correctly, Mr. Smith, the chairman, will be presenting testimony in their behalf.

Mr. Marshall. We will be glad to hear you.

STATEMENT OF MR. DAVID R. SMITH

Mr. Smith. Thank you, sir.

Chairman Whitten and members of the committee, I am David R. C. Smith of the Smith-Coulter Co. of Canastota, N.Y. The area produces each year some thousands of carloads of potatoes, onions, and carrots on muck. Our company is a good sized grower in this area. I have been reelected to the presidency of the Empire State Potato Club, an organization of the potato growers of New York State.

We and the industry and our customers, the consumers, have been greatly benefited by the breeding operations of USDA. You and we may be proud of successes achieved. Seventy-five percent of the potatoes of the United States are now of the new varieties; 100 percent

of the onions of the far south owe their existence to this work, and in the north from 30 to 80 percent of the onions are of the hybrid varieties created by the plant breeders at Beltsville. The carrot improvement work is now only 2 years old. Equal results may be expected.

However, the job is not finished. Our potatoes sometimes scab, are not mealy enough, and are not well enough adapted to the making of chips, granules, and french fries, and they do not store very well. Our new onion varieties give us big yields and fine shape but do not store well. The Smith-Coulter Co. gets results from them by selling our hybrid onions before Christmas. They should store well to April to have an even supply throughout the season when the northern crop must feed our people.

The breeders tell us that we can have all the virtues in one variety of potatoes and onions; although they have not yet gotten us that full result. The work may be half done. USDA is spending upon getting perfected varieties of potatoes one-twentieth of 1 percent of the value of one crop; upon our onion varieties one-tenth of 1 percent.

Here we are at the halfway post, and success in one of the greatest plant breeding jobs ever undertaken by mankind is threatened with disaster by the increase in salaries and the cost of equipment. Equipment has been running down because increased costs are taking the money. Already four of the best men have been lost to the universities and to industry. For success, these jobs must have ability, training, morale, and continuity. Those senior scientists up there just are not replaceable. They have wives and families and so on to take care of and they have to look to where they can do best. They are dedicated public servants who would like to stay on the job, and it would be a great economic loss to us and to the country if we lose them. If we can give them a little bit more money, we can keep them, and also replace their equipment.

The breeding cages are rotting where they touch the ground and $10,000 worth of new ones are needed. Beltsville needs at least $50,000 for a storage for onion breeding stock, and a cold storage in which carrots can be chilled so that they will seed in the greenhouse, thus cutting breeding time in two. Two new greenhouses at $15,000 each are needed—one more in Aroostook for potatoes and a third greenhouse at the Parma, Idaho, field station. They have had one for some years. The State of Idaho provided a second one at the request of this committee.

Our California member is in the field growing his crops and cannot be here. California needs thousands of carloads of the hottest possible onions for dehydration to flavor the meats and soups of the land; and the mildest possible onions for salads and sandwiches. Both jobs are underway at Beltsville.

Our Idaho man is the leading producer of hybrid onion seed. He is on a wholesale selling trip in the Pacific Northwest.

For examples, all bologna, all pressed meats, and nearly all soups are flavored with hot onion flakes. The H. J. Heinz Co. has stopped using fresh onions in its products. This adds up to hundreds of carloads of white flakes and thousands of carloads of onions each year.

We submit a page of figures furnished us by Charles L. Grant, budget officer, and by Reginald Royston, in charge of crop reports for

vegetables, both of USDA. We shall not read these figures. You will want to study them.

We ask for an increase over Mr. Grant's estimates of $75,000 for the budget year 1961. Budgets have been held down, to the threatened disaster of the work. We ask that this situation be changed to one of zealous efficiency. We hope that the increase can be new money and not cripple other work.

Mr. MARSHALL. Without objection, we will place in the record at this point the statement to which Mr. Smith referred and which he received from Mr. Grant.

(The statement referred to follows:)

	Appropriations for year ending June 30, 1960	Budget estimates for year ending June 30, 1961	We ask these increases for year ending June 30, 1961
Potato improvement	$242,730	$244,280	
Onion improvement	54,325	42,930	$17,070
Carrot improvement	24,795	35,120	
For salaries and equipment, we ask for			57,930
Total request by us, over the budget estimates for 1961			75,000
Sweetpotato improvement	70,570	70,930	

Farm value of crops

1959 crop	Amount	Average 1955–59
White potatoes	$495,734,000	$440,290,000
Onions	60,143,000	64,437,000
Carrots	41,078,000	43,318,000
(Sweetpotatoes	60,724,000	67,582,000)

We wish the producers of sweet potatoes well, and we hear that very large sums are being asked for sweet potato research. Such askings should not be allowed to detract from the efficient service of the other above crops. The budget estimates and the comparative farm values are given above. The sweet potato crop is worth only slightly more than the onion crop, and only slightly more than one-seventh of the value of the white potato crop.

The consumption of white potatoes is now about 107 pounds per capita and is increasing slightly. Sweet potato consumption in 1958 was 6.6 pounds fresh, and 1.1 pounds canned, a total of 7.7 pounds per capita; and in 1959, 7.3 pounds, or one-fourteenth that of white potatoes. Consumption of sweet potatoes in the 1930's was 20 pounds per capita, and has been going down steadily.

We use 25 cents worth, at the farm, of carrots per person and 36 cents worth of onions, each year.

Mr. MARSHALL. Mr. Petran, are you ready to make your statement?

Mr. PETRAN. Yes, sir.

STATEMENT OF PAUL PETRAN

I am Paul Petran, of Petran Farms, Albert Lea, Minn. We own 735 acres of vegetable land, on the highway and on track, and we grow and store and ship table stock potatoes, certified seed potatoes, onions, and carrots.

The Cherokee potato bred by USDA has become the leading variety of the region and is eighth in the United States. It is good looking, and does not scab. It sprays easily. However, it could be mealier and it should yield more. There is tremendous interest in a new

variety created in North Dakota with USDA money, the Norland. It yields tremendously, is handsome, and scabs hardly at all. However, it is not mealy.

Our region grows many onions, but not many hybrids, because they do not store well. Important producers known to me had a great crop in 1959 of beautiful Elite hybrid onions, but struck disaster in selling them. They are too soft. In a cheap onion year like this, to be able to sell an onion crop is more important than top yield.

Therefore, there can be improvements made in the potato program. That is one of the reasons why we need more research and breeding in our onion program.

We grow 125 acres of carrots and have nearby demand for processing carrots. We need a perfected hybrid carrot variety. In carrots there is room for a great deal of improvement because of the greening of the tops in order to get an even carrot and one that is uniform. So, we need a perfected carrot variety.

Petran Farms' experience shows that this work should go forward, toward our having everything we need in the same varieties of potatoes, onions, and carrots. Our breeders have proven they can do great things. They have a lot more to do. But they still have a lot to do which will benefit the consumer as well as the grower and producer.

Mr. MARSHALL. Mrs. Heuser, do you wish to make a statement at this time? If so, we shall be glad to hear you.

Mrs. HEUSER. Thank you, Mr. Chairman.

STATEMENT OF MRS. JOSEPHINE V. HEUSER

I am Mrs. Josephine Vahlsing Heuser, of Trenton, N.J. I am the daughter of F. H. Vahlsing, of New York City, and I am the sales manager of our Robbinsville, N.J., packing plant. I am a carrot salesman. We specialize in the growing and shipping of carrots, potatoes, and onions. My father might be the largest grower of carrots in the world. We grow mostly on our own land 4,000 acres of carrots per year. In the Corpus Christi, Rio Grande, and Hereford areas of Texas, we ship about 1,500 carloads of carrots per year.

We also operate in the Rio Grande Valley a bag plant with a capacity of 2 million pliofilm bags per day. Our total production of carrot bags is approximately 400 million, of which our company uses about 40 million bags a year.

I went out to the Beltsville station this morning and saw the work being done to create varieties resistant to the blights that cripple crops for everybody. More flavor is needed in carrots, and this work has been started. We need the best color inside and out and the right shape. We want no green tops and no hollow crowns nor crooked carrots. Since the inception of packaging, the public has demanded a more perfect carrot.

Everybody could use the uniformity and the 25-percent more yield of a hybrid. That work is underway in Parma, Idaho, at Cornell University, and at the experiment station in Wisconsin.

It is clear that we want this work to go forward fast to full success.

The consumer insists on color and uniformity of size which we cannot produce without the help of research.

Please approve the $35,000 item in the 1961 budget and see that the breeders are able to equip their work well and pay salaries necessary to keep men that can get results.

Mr. MARSHALL. Thank you, Mrs. Heuser.

Mrs. HEUSER. Thank you, Mr. Chairman.

Mr. MARSHALL. At this time we shall hear from Mr. Peterson.

I might say at this time that Congressman Short and Congressman Langen informed me that you would be appearing before this committee this afternoon and they said that you were a man who knew what you are talking about. With that recommendation from the Congressmen, we shall be glad to hear from you.

Mr. ANDERSEN. Mr. Chairman, I might say that Congressman Odin Langen, of Minnesota, gave Mr. Peterson a very good sendoff. So, we are glad to see you, Mr. Peterson.

Mr. MCINTIRE. Mr. Chairman, Mr. Smith comes from central New York and Congressman Alexander Pirnie wants to be associated with the presentation which this group is making today.

Mr. MARSHALL. Thank you, Mr. McIntire.

STATEMENT OF MR. HANK PETERSON

Mr. PETERSON. I am Hank Peterson, of the Hank Peterson Farms, Moorhead, Minn. I represent the Red River Valley.

I am one of the largest growers of vegetables in Minnesota.

My farms are just across the Red River from the Fargo, N. Dak., Experiment Station where 20,000 first-year potato seedlings are grown in the field each year besides several hundred seedlings that made good in previous years. Federal money goes a lot further in cooperation like this and we want it kept up.

The North Dakota station is where the Norland potato was created with the help of Federal money.

It is now 11th in production in the United States. Several hundred carloads were sold last season out of the valley for seed, table, and processing. We need a variety as good as the Norland in yield with more solids. Granules and flakes make the best and most mashed potatoes when the original potatoes have the most solids.

We want a potato that makes the most and the best chips. The old-time cobbler is too rough. The U.S. Department of Agriculture Kennebec is too late and scabs.

These U.S. Department of Agriculture breeding jobs are important in our business. We would like to have them well financed and completed.

Mr. MARSHALL. Thank you, Mr. Peterson.

Now, we shall hear from Mr. Kennedy.

STATEMENT OF MR. C. JACK KENNEDY

Mr. KENNEDY. I am Jack Kennedy, of S. Kennedy & Sons, of Clear Lake, Iowa. We are growers and shippers of 300 carloads of potatoes, 100 carloads of onions, 175 carloads of carrots, and nearly 100 carloads of sugar beets.

We grow Cherokee potatoes produced by the U.S. Department of Agriculture. They resist scab, have some blight resistance, are good looking with good sales appeal but are not consistent yielders.

Another potato variety created with Federal funds, the Norland, yielded 700 bushels per acre on 50 acres for us last year. It is early, resists scab, and is good looking and sold very well. The Norland is a step in the right direction.

The highest yielding hybrid onions created by the U.S. Department of Agriculture are good looking and good yielders but do not store well enough to be safe to store for any length of time. We have to sell them early.

We sell our carrots—about 3,500 tons a year—almost exclusively to processors. They are looking for better carrot varieties that will store better and give them a higher net yield in their processing operation.

We have 11 modern homes for our Mexican families and own 9 other houses for our help and ourselves. We must have the best quality and good yields to pay our taxes, carry out our responsibilities, and make a profit.

The better varieties we want will not only help the grower and shipper but will help the ultimate consumer by giving them a better quality product produced cheaper.

We and the other growers in our area of northern Iowa and southern Minnesota want the breeding work to continue at a good pace with no chance of its failing through lack of good trained personnel due to insufficient funds.

Mr. MARSHALL. Thank you for your statement, Mr. Kennedy.

Now we shall hear from Mr. Hanline.

STATEMENT OF MR. CHARLES HANLINE

Mr. HANLINE. Mr. Chairman, I am Charles Hanline, vice president of the John F. Stambaugh Co. in Plymouth, Ohio. We have a 900-acre muck crop farm on which we produce potatoes, most of which are Chippewas, bred in Aroostook in the early days of the USDA program. They yield heavily, are beautiful, but sometimes scab and they could be mealier.

We are interested in the prepackaging of hybrid onions, and since 1951 we have conducted the Ohio State experiments for commercial trials for hybrid onions and from these trials we now have information which enables us to produce about 99 percent of our crop in the new hybrid varieties. However, these varieties have some defects and we would like to see the breeding work here at Beltsville and the other stations continue in order to produce a better variety of hybrid onion.

I think it impresses me that this committee is entirely made up of large growers, and I would like to say that while the growers are asking for these new and better hybrid varieties, we are actually asking for something for the consumers of the country. We know better which varieties are best and, perhaps, the consumers should be here asking for them, too.

All of our onions are USDA hybrids. They have a series of varieties that ripen in late summer, early fall, and late fall, and every one yields far more than usual varieties. So, we get a long sales season. They also are handsome. We put up a better pack with hybrids. Most of our crop goes to the food stores, and much of it in 3-pound pliofilm bags.

The hybrids are milder and the home women like them. What we do not yet have is a hybrid variety that will store sound to April. We and the consumers need it.

The creation of such a variety is a vast scientific job, and takes time. We want the breeding program to go forward. Our business is built on it.

The seedsmen cannot create these varieties because they cannot control the product long enough to get the costs back. If producers and consumers get these improved foods, USDA must do the research. When that is done, the seedsmen take over.

On the matter of potatoes, we grow a couple hundred acres of the cheaper variety of potatoes, which is very susceptible to scab. We think that the potato breeding program should produce, or will produce, a better potato that will not scab so easily. We think that it is very important that we retain our senior scientists who are doing this breeding work.

We are here today to ask that the budget appropriation be raised by some $75,000 in order that the facilities and that possibly a few technicians can be added to help facilitate this onion and potato and carrot breeding work.

I think the thing which I would like to emphasize most is that if through these projects we are able to get a better hybrid variety which enables us to produce 25 percent more in yield and enables us to produce a better quality product, it therefore enables us to do it more cheaply which, in turn, is passed on to the consumers of this country who are the ultimate benefactors.

Mr. MARSHALL. Thank you, Mr. Hanline, for a very fine statement.

Mr. Smith, do you have a summary which you would like to make at this time?

STATEMENT OF MR. DAVID R. SMITH

Mr. SMITH. Yes, sir, very briefly, if I may.

We are doing all we can do for ourselves and as farmers we are cooperating very closely with our various colleges in different areas. In our own State that is especially true although I do not know about other States. However, we are very active at Cornell in this thing and we are doing everything we can at the local level. That is why we are here asking for assistance from the national level and in this regard we want you to do what you can at Beltsville. With reference to research this is a subject which is beyond the farmer and that is why we are coming to you. We cannot do it for ourselves. We do not want to cast any aspersions on any other part of the Federal farm program, but in our opinion research and development of new varieties has done us more good than all the price supports. Better varieties help all farmers, big and small.

We do not believe in doing anything for a man if he can do it himself.

Now our Empire State Potato Club has a motto and this is it: "If it is not good for our customers, it is not good for us." Better varieties are better for everybody.

The $75,000 more money which we ask for will do these things:

It will provide $17,070 to hasten better onions.

It will provide $10,000 to keep the best breeders.

It will pay $10,000 for new breeding cages.

It will pay $30,000 for one big greenhouse in Maine for potatoes and one big greenhouse for carrots in Idaho.

Finally, it will pay $7,910 of other increased costs and next year Beltsville can have the cold storage it must have.

If there are any questions, we shall try our best to answer them.

Mr. MARSHALL. I might say at this point that in the 1961 budget we do have the sum requested for potato production breeding and diseases of $244,280 and for onions and carrots the sum of $78,050.

We appreciate your appearing before the committee and coming down and giving us the benefit of your views. This committee is interested in all phases of agriculture problems. We do have some real problems in attempting to work things out and to keep our budget in balance. And, I might add that the problem of keeping the agricultural budget in balance is certainly not an easy one during these times.

Mr. ANDERSEN. Mr. Chairman, I would like to say that it is refreshing to see the fine manner in which these gentlemen have their testimony arranged. It is easy to follow and, on the other hand, they are all very brief and to the point.

Mr. MARSHALL. That certainly is well said, Mr. Andersen, because we do not have many people who come before this committee who have said as much in such concise statements as these people have. It has been very well organized.

Mr. HORAN. They did an excellent job and I am inclined to agree with these gentlemen, because we have ourselves in an awful mess with the rest of the farm program. We are about to pay a bill of $481 million for storage costs on crops which we cannot even sell. Off the record.

Mr. MARSHALL. We thank you, gentlemen, very much.

Mr. HANLINE. Thank you for the time you have taken with us, Mr. Chairman.

Mr. SMITH. I would like to very much thank you gentlemen for the time and patience in listening to us. It has been very, very good to be with you.

Mr. MARSHALL. The subcommittee will now stand adjourned until 1 o'clock Monday afternoon.

AGRICULTURE DEPARTMENT APPROPRIATIONS

WITNESSES

JOHN C. LYNN, LEGISLATIVE DIRECTOR, AMERICAN FARM BUREAU FEDERATION
HUGH F. HALL, ASSISTANT LEGISLATIVE DIRECTOR

Mr. MARSHALL. We are pleased to have before our committee at this time the representatives of the American Farm Bureau Federation.

I understand you have a statement to make before this committee. Will you present the statement, Mr. Lynn?

Mr. LYNN. Yes, sir.

Mr. MARSHALL. We shall be glad to have your statement.

Mr. LYNN. We appreciate this opportunity to appear before your committee and present the recommendations of the Farm Bureau with

respect to certain parts of the Agriculture Department appropriations.

In making these recommendations we wish to emphasize that the Farm Bureau is strongly in support of policies which will bring about a balanced budget. We hope that income in fiscal 1961 and future years will exceed expenditures so that we can begin to retire the national debt.

We have made and will continue to make recommendations to other committees of the Congress dealing with several other aspects of the Federal budget.

Our detailed recommendations with regard to certain parts of the USDA appropriations are as follows:

AGRICULTURAL RESEARCH

The interest of Farm Bureau in agricultural research has been expressed to this committee on numerous occasions in the past. Our policy has been directed toward a more effective long-range research program.

The need for new and continued efforts to improve our rsearch remains a pressing matter. When this subject was considered at our convention last December, the thought was expressed that "by no measure can Agriculture's research programs be considered adequate. The shrinking trends in major agricultural markets are unmistakable. Farm income will decline further unless effective action is taken to relieve the cost-price squeeze." Farm Bureau resolutions set forth what we believe to be essential research requirements as follows:

An adequate research program will require—

(1) Effective administration—Much has been done to increase the efficiency of the federally supported agricultural research program, but important improvements can still be made. Better coordination is a major problem. Further unification of responsibilities and direction is desirable.

(2) Proper balance—The emphasis in agricultural rsearch should be adjusted to fit the key problems and opportunities of individual commodities and farm situations. No artificial or arbitrary balance applied equally to all of agriculture will meet the needs of each commodity.

(3) Independent program appraisal—Congress has responsibility for appraising Agriculture's research programs, including those in the field of home economics, independently of their administration. A means should be sought, however, to make available to Congress more objective and more informed advice on the problems and opportunities in agricultural research.

(4) Adequate financing—A weakness of the agricultural research program is that financing is not adequate. A mechanism or plan for significant and systematic increases in financial support is needed.

We believe that an adequate agricultural research program is one of the most vital needs in American agriculture today. It affects the entire basic economy of our Nation. It is essential that the right answers be reached. Before any new course in research is charted for Agriculture, it should be made certain that the four cardinal elements of an adequate research program, listed above, are provided.

We urge that an independent and objective appraisal of the current research program be made as soon as possible. When such an appraisal of the current research program shows the need, we will support expanded aid to land-grant colleges to finance buildings and facilities for research. In the meantime, we will oppose such Federal aid expansion.

State farm bureaus should discuss with presidents of land-grant colleges and directors of State experiment stations, Farm Bureau's policy on research, giving special emphasis to policy on Federal aid.

A bill has passed the House and is now pending in the Senate, designed to evaluate our agricultural research needs and make sure they are directed toward the solutions of our needs in agriculture.

Farm Bureau believes that there is need for an independent commission supported by a limited staff of qualified technicians whose function shall be to appraise Agriculture's research needs and opportunities. Based on such a study and appraisal the commission would each year present to Congress and the Secretary of Agriculture authoritative, imaginative, dynamic recommendations on Agriculture's research needs and opportunities which would form a more sound basis for increased efforts that will yield maximum benefits to both farmers and consumers.

We note that agricultural research appropriations have been increased moderately in the estimates submitted for 1961. The budget shows an increase for the Agricultural Research Service of $1,260,000 while the total of increases for all Department of Agriculture agencies which conduct research amounts to $3,651,000. In addition, we understand that approximately $3,150,000 of the funds of the Agricultural Research Service previously provided for construction and improvements of research facilities is recommended to be allocated to various other research efforts, making a total increase available for research of $6,801,000 out of appropriated funds. Approximately $4.4 million of this amount represents the increase in funds available to the Agricultural Research Service.

Even though the amount falls short of our previous recommendations, Farm Bureau recommends that the budget estimates for research be approved. We believe that an objective study by an independent commission as provided in S. 690, as passed the House, will indicate a greater need which we believe the Congress will meet.

SUPERVISION OF RESEARCH CARRIED ON UNDER SPECIAL FOREIGN CURRENCY FUNDS

We have noted the provision of funds for research from foreign currency generated by the Agricultural Trade Development and Assistance Act (Public Law 480). We believe that well-planned projects under this program can assist us in the expansion of markets abroad. However, contracts for agricultural research abroad should be closely supervised by U.S. personnel. The work should be examined from time to time by competent appraisers and technicians in order that assurances can be given, insofar as possible, that the funds will be utilized efficiently. Adequate funds should be provided for supervision of these research projects.

Mr. MARSHALL. Do you feel more personnel might be needed?

Mr. LYNN. Yes, sir. Oftentimes when it is local currency we say not much supervision is needed, but this involves $15 million to $16 million, and we think it is justified.

BRUCELLOSIS ERADICATION PROGRAM

Since the establishment of the accelerated brucellosis eradication program in 1955 great progress has been made toward controlling this disease. According to the U.S. Department of Agriculture 24 States have been certified as modified brucellosis free. Livestock losses to producers have been reduced from an estimated $100 million to less than $25 million annually. The number of humans suffering from undulant fever has been reduced from more than 5,000 individual cases in 1948 to less than 1,000 in 1959.

At the last annual meeting of the American Farm Bureau Federation, the voting delegates of member State farm bureaus adopted the following:

Control and eradication of brucellosis has been an important project of Farm Bureau for more than a decade.

Twenty-two States and Puerto Rico and more than 2,200 counties have been declared modified certified brucellosis areas. Indications are that all States can obtain this status within 2 or 3 years provided adequate State and Federal funds are made available. Cuts in State and Federal funds in the past year have retarded the program in some States. We urge that Farm Bureau continue aggressive support of legislation to provide funds necessary for this important work.

The accelerated effort during the period 1955 through 1958 stimulated an increase in State expenditures and with Federal funds resulted in 1,217 counties becoming modified certified brucellosis counties as compared with 334 such counties prior to the establishment of the accelerated program. Subsequent reductions in Federal funds, however, were accompanied by corresponding reductions in funds provided by the States. As a result, the number of counties which could be certified as modified brucellosis-free counties has been reduced.

We believe that a stepped-up program of Federal assistance will get this job done more speedily and with a reduction in overall costs. Tax dollars will be saved and losses to livestock producers reduced. We therefore offer the following recommendation: For fiscal 1961, provide $22 million, an increase over the budget estimate of $6,523,000.

While your committee is providing funds for only the 1961 fiscal year, we believe funds of $22 million annually in fiscal 1962 through 1965 will be required to accomplish satisfactory results in this program. This sum, with funds being provided by States, will provide about $37 million for this program and will permit more effective progress toward the 1959 level of accomplishments.

Total funds (State and Federal) amounting to between $37 and $39 million through 1965 are estimated to be necessary to reach national modified-certified brucellosis-free status.

CONSERVATION PROGRAMS

In recent weeks Farm Bureau representatives have appeared before House and Senate Agriculture Committees with recommendations relative to the extension of the conservation reserve program and have made recommedations with regard to the price support and adjustment program, designed to deal with this most difficult problem. Briefly, Farm Bureau recommendations are designed to meet four major objectives:

(1) To encourage market expansion;
(2) To reduce production incentives;
(3) To minimize economic hardships on wheatgrowers;
(4) To avoid shifting the burden of adjustment to producers of other farm commodities.

An expanded conservation reserve program plays a very important part in meeting these objectives.

At this point we would like to present the resolution adopted at the last convention of the member State farm bureaus concerning conservation programs.

As a temporary measure to help farmers in adjusting production to current needs, we favor a properly designed and administered conservation reserve program which (1) retires land that otherwise would be devoted to crops, (2) keeps land out of production for a long term of 10 years, (3) prohibits harvesting or grazing land under the program, (4) encourages farmers to put entire farms in the reserve, and (5) secures sufficient participation to reduce production substantially, bringing total agricultural production into balance with domestic and foreign market demand.

Effective measures should be taken to prevent the shifting of acreage allotments to new land where part or all of a farm is placed in the conservation reserve.

Payments in kind from Commodity Credit Corporation stocks, priced at current free market prices, should be used to the maximum extent possible in financing the program. We oppose limitations on payments to individuals.

Experience with the program to date prompts us to recommend continuation of the conservation reserve program only if the basic principles enumerated above are actually put into operation. We will support adequate appropriations to implement the type of program described above.

The agricultural conservation payments program has been effective in encouraging the adoption of better farming practices. In so doing, however, it contributes to increased production and thus conflicts with the objective of the conservation reserve. We urge that the administration of this program be coordinated or merged with the soil bank program and that future payments be restricted to permanent practices.

We further urge that the States be allowed to take over administration of the ACP program on a grant-in-aid basis as rapidly as workable State plans can be developed.

As a general policy we are recommending the extension of the authority of the U.S. Department of Agriculture to enter into new conservation contracts for 3 years—through 1963—with a modest expansion of appropriations during this period. This recommendation would expand the conservation reserve at a rate of about 5 million acres per year, and when added to the 28 million acres that will be in conservation reserve by the end of 1960, will make a total of 43 million acres by the end of 1963.

In addition, as an integral part of the legislation we are proposing for wheat, we favor a provision to raise the total amount of land in the conservation reserve from 43 to 60 million acres at the end of 3 years. At least half of this additional authorization of 17 million acres should be signed up the first year of the new wheat program.

The net effect of these recommendations on the size of the conservation reserve program would be about as follows:

[In millions]

Year	Proposed acres in regular program (cumulative)	Additional acres under wheat bill (cumulative)	Total acres in reserve
1960	28	----------	28
1961	33	9	42
1962	38	13	51
1963	43	17	60

Expansion of the regular conservation reserve from 28 million acres in 1960 to 43 million acres in 1963 will require funds for rental payments as indicated in the following table:

Year	Rental money	Acres in conservation reserve
1960	$335,000,000 available current year	28,000,000 (end 1960).
1961	$400,000,000 ($65,000,000 more than 1960).	33,000,000 (5,000,000 more than 1960).
1962	$465,000,000 ($65,000,000 more than 1961).	38,000,000 (5,000,000 more than 1961).
1963	$530,000,000 ($65,000,000 more than 1962).	43,000,000 (5,000,000 more than 1962).

We believe that the soil and water conservation objectives of the agricultural conservation payments program and the conservation reserve are basically similar. However, the ACP is contributing to current production, and thus conflicts with the objective of the conservation reserve program, which is designed to reduce the current overproduction in agriculture.

We have on numerous occasions recommended substantial reductions in the forward authorization for the agricultural conservation payments program and have stressed the need for directing these funds into permanent type practices. Our review of the programs of recent years has convinced us, as we have indicated to you, that many practices for which payment is made have contributed heavily to our production of commodities in surplus. The ACP program has been very effective in encouraging the adoption of better farming practices. We think there is abundant evidence that much of the expenditure for limestone, fertilizers, and cropping practices has contributed, within the next year or two after application, to our surplus problem. In this respect the conservation reserve program is making a more fundamental and worthwhile contribution to our basic problem of helping solve our problems of overproduction. The permanent type practices for which ACP money should be provided should be coordinated with the conservation reserve objective. We believe this can and should be done and that this committee can and should direct the expenditure of agricultural conservation funds along these lines. All the conservation programs must be coordinated to meet the basic needs of agriculture.

Our recommendation calls for coordination and merger of the agricultural conservation program with the conservation reserve program and the restriction of agricultural conservation payments to permament type practices. In this recommendation, Farm Bureau believes that the funds provided in the aggregate will be most effectively used in achieving a balance of total agricultural production with our domestic and foreign market demands.

With these principles in mind, our basis recommendations are as follows:

1. The conservation reserve appropriation should be increased from the budget estimate of $362 million to $400 million for 1961.

2. The amount of the agricultural conservation program authorization in excess of $200 million (which for 1961 is $42,600,000) should be transferred to the conservation reserve for practice payments in connection with conservation reserve contracts to be used to establish cover and other conservation practices on this contracted acreage.

3. Reduce the agricultural conservation program forward authorization by $65 million, which sum should be added to the conservation reserve appropriation in 1962.

4. Thus, we recommend that the forward authorization for the agricultural conservation program for the crop year 1961 be $135 million.

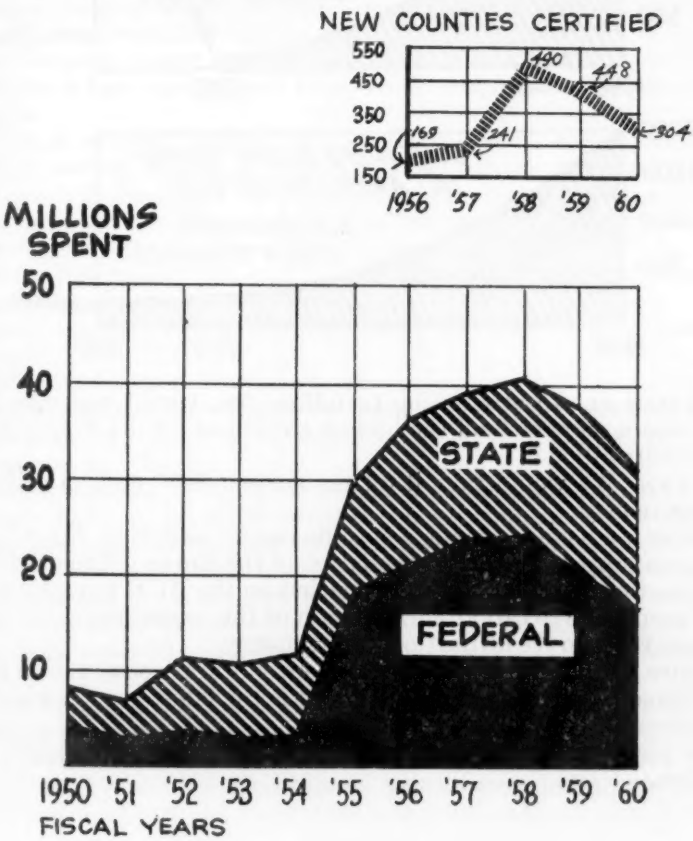
In presenting these views, we are aware that action by the Agriculture Committees of the Congress is essential to:

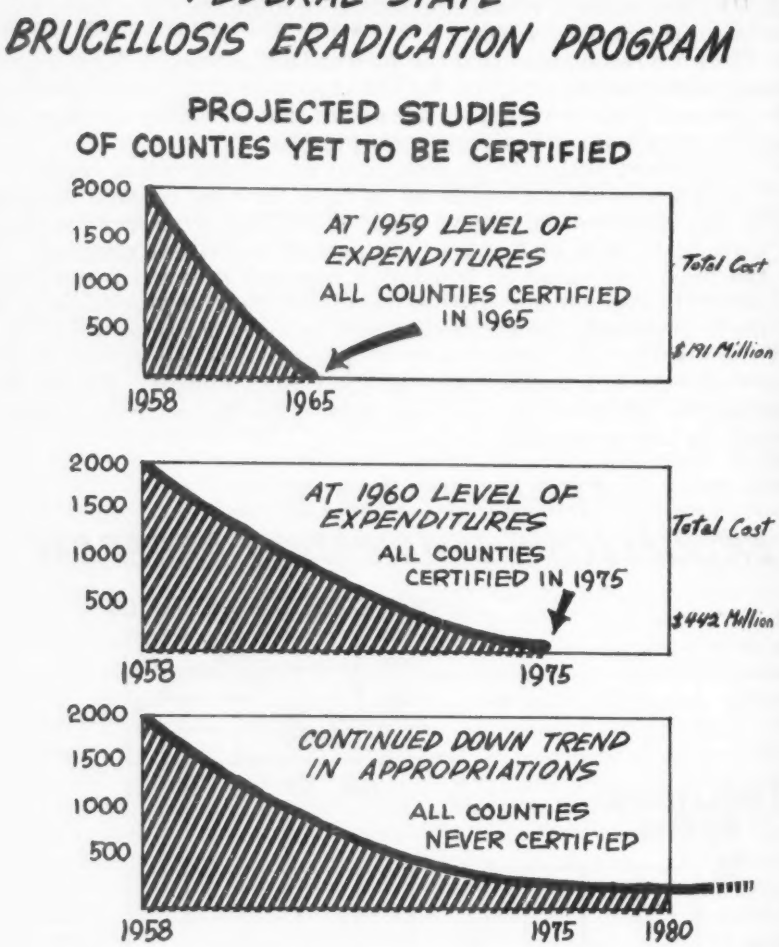
1. Extend authority to enter into new conservation contracts.

2. To provide authorization to raise the total amount of land in the conservation reserve from 43 million acres to 60 million acres at the end of 3 years. As part of our wheat program—if the basic authorization legislation required is enacted—we most earnestly recommend to this committee that appropriations be made to provide the funds necessary to carry out these objectives.

We appreciate this opportunity to present detailed recommendations with regard to certain parts of the USDA budget. Except for these specific recommendations, we support the budget recommendations of the administration.

FEDERAL-STATE BRUCELLOSIS ERADICATION PROGRAM





Mr. MARSHALL. In attempting to follow you, would you take this amount shown on page 8 off the budget request or off the current proposal of $250 million?

Mr. LYNN. We would take it off the current $250 million and not the budget request.

Wherever we have not made a specific recommendation, Mr. Chairman, we can support the recommendation of the Bureau of the Budget.

In connection with our recommendation on the ACP payment program, I would like to call attention again of the committee as we have in previous years to the utilization of this money.

I am sure you are familiar with this agricultural conservation program. Nineteen hundred and fifty-eight is the latest year in which it has been summarized.

I have picked Illinois, which is the middle of the breadbasket, for illustration.

A fraction over 80 percent of the $9½ million being used in the State of Illinois under the ACP payment program is being used for lime and phosphate.

It is listed here as under A–4–A and A–4–B. This is for putting lime and phosphate on grasses or legumes, and it does not say that this land has to remain in grasses or legumes for 2 years, but we know that a great deal of this is being plowed under in the spring and corn is being planted back there, sowing a crop, cutting the cornstalks down, having this legume come up, maybe turning cattle on it in the wintertime, putting the lime and phosphate on this, and then turning this back under in the spring for corn.

This is definitely a practice which increases corn production.

Therefore we again emphasize to the committee that ACP money should not be used in this manner.

To establish a cover, where cover needs to be put on, it is necessary to put phosphate and lime on in some cases. We have no objection to that at all, but this constant repetition of putting phosphate and lime on land definitely going into corn and other surplus crops we believe certainly is going in the opposite direction of the conservation reserve program.

We renew our recommendation that this money be aimed at permanent type practices.

We are not prepared to make specific recommendations this year, but if the conservation reserve authority is extended, we believe there has to be better coordination within the Department of Agriculture of the administration of the ACP payment program and the conservation reserve.

Here is a total package of money this year, over a half billion dollars, which should be aimed toward solving farmers' problems, and at the present time they are pulling against each other.

I mean by that, one is trying to reduce agricultural production; another is increasing agricultural production.

Being the farmer you are, I know that you know what we are talking about. It disturbs us a great deal.

Our members are getting this money but that does not change our thought.

This concludes our statement, sir.

Mr. MARSHALL. Mr. Lynn, we thank you for your statement. This committee, as you know, is faced with some very difficult problems.

Mr. LYNN. Yes, sir.

Mr. MARSHALL. I think, as you have pointed out, one of the problems we have in the matter of this conservation reserve is the matter of not knowing whether the authorization will be continued or not.

I do want to say this to you: As I follow the recommendations of the American Farm Bureau Federation, I was pleased to note that in your convention proceedings your people called attention to the fact that there needed to be more sound administration of the conservation reserve program.

The conservation program in my estimation is in trouble because there has been too much laxity and also because the payments have not been based upon the fertility and productivity of the land.

I noticed when the Department people were before us, that they presented a table in the conservation reserve program, and in the table

they mentioned the calendar year 1958 and the farms with contracts. 48,668 contracts were written in what we term "the breadbasket of the United States" those States in the Midwest. Some of those States are the leading States in the production of corn and in the production of wheat.

We could not help but note that in the State of Illinois we had only 451 farms with contracts.

It is my understanding and that of other Members of Congress that the soil bank program was developed for the purpose of trying to bring our production in line with the demand.

I am quoting you those figures because we can compare the figure of 451 farms with my home State of Minnesota where we have 13,056 farms. In that area covered by those States, Minnesota has over a quarter of the farms which were in the conservation reserve part of the soil bank.

I happen to know there are a good many of those farms which are outside of what we call our commercial corn area, and also outside of some of our heavier producing wheat areas. I am calling your attention to those figures because while we appreciate the fact there may have been, and possibly there still is, some cutting down in production, we are not getting that production cut down to the extent that we had hoped with the soil bank. A part of that reason I think is because of the failure of people to recognize what people in the Farm Bureau recognize, that those payments should be made on the basis of productivity and fertility of the land.

Do you have anything you would like to say about that?

Mr. LYNN. Certainly we recognize that the 28 million acres in the program are not necessarily 28 million of the best producing acres in the United States. We believe the next 20 million acres, if this proves to be possible, will make a much greater impact than the first 20 million, because we will, I think, start getting some better land out of production.

As you have indicated, we have been constantly making suggestions to the Department of Agriculture as to where they might improve the administration of this program to accomplish the objectives you have outlined. We know in some cases this has not been done, but we are encouraged because we find here and there where they are making changes that would seem to be moving in the direction you have indicated.

Certainly we agree with you that the purpose of the conservation reserve is to bring production in line with effective demand, and the money ought to be used for that purpose.

Mr. MARSHALL. We have been faced, this year as in former years, with the problem we are building up our stocks and the cost involved in storage of commodities is considerable.

Mr. LYNN. Yes, sir.

Mr. MARSHALL. The testimony before this committee shows that in connection with corn we had a support price of about $1.12 a bushel and before that corn got out of the storage picture it cost $1.52 a bushel for that part of it, so that it would be almost 1½ times as much as the farmer received for the corn.

Mr. LYNN. Yes.

Mr. MARSHALL. We know that you are aware of that because we know you are concerned about the storage of these commodities, but our corn acreage in the United States last year increased something like 21 percent. We had a 4-billion-bushel corn crop for the first time in history. We are entering this year with about a 14-percent carryover over and above what we have had.

What is the answer for that sort of a situation?

Mr. LYNN. Mr. Marshall, we firmly believe that the corn and feed grain program as currently operating will get us out of the woods on this problem.

Mr. MARSHALL. If you will excuse me just a minute, these figures I have presented to you are the actual figures as to what has happened.

Mr. LYNN. In 1959, but in 1958 we supported 90 percent of the corn at $1.06 in the commercial area and $1.03 outside the commercial area. Then, in 1959, when we did away with acreage allotments and acreage reserve of the soil bank and at the same time Mr. Benson reduced the price support on some commodities, including soybeans, we raised the price support on corn from $1.06 to $1.12 in the commercial area. So it should not surprise you that we got an additional production in corn.

Mr. MARSHALL. Maybe it should not surprise us, but the indications are that there will be a further increase this year and I am sure you appreciate it is adding to our stocks and to the problems of this committee.

Mr. LYNN. I know. We think it will take a couple of years.

Mr. MARSHALL. We do thank you for your appearance.

Mr. LYNN. We appreciate it. We hope you will try to find a solution to the wheat problem. The wheat problem is one that will sink us if we are not careful.

Mr. MARSHALL. I think corn and feed grains are approaching the position of No. 1 problem. Our backlog built up on wheat is such the some people come in here and suggest putting that wheat into feed grain channels.

Mr. LYNN. We oppose that.

Mr. MARSHALL. Thank you for your appearance.

Mr. LYNN. Thank you.

TUESDAY, MARCH 22, 1960.

AGRICULTURAL RESEARCH AND MARKETING SERVICES

WITNESS

JOHN H. WALKER, EXECUTIVE SECRETARY, SOCIETY OF AMERICAN FLORISTS & ORNAMENTAL HORTICULTURISTS, WASHINGTON, D.C.

Mr. MARSHALL. At this time we will hear from Mr. John H. Walker, executive secretary of the Society of American Florists & Ornamental Horticulturists.

Do you have a statement to present to the committee, Mr. Walker?

Mr. WALKER. Yes, sir.

Mr. MARSHALL. We will be pleased to hear from you at this time.
Mr. WALKER. Thank you.

My name is John H. Walker, executive secretary of the Society of American Florists & Ornamental Horticulturists, Washington, D.C.

The Society of American Florists was organized in 1884 and was incorporated by act of Congress on March 4, 1901, as a nonprofit organization. As the national trade association of floriculture and ornamental horticulture, the society represents retailers, growers, wholesalers, and allied tradesmen. The society has 151 affiliate organizations, national, regional, State, and local in character, in its membership.

In 1957, I appeared before this committee for the purpose of explaining a survey I was making to determine the long-range research needs of our industry and to speak for the budget of the Ornamental Plants Section, Agricultural Research Service, and the Agricultural Marketing Service, U.S. Department of Agriculture. After a thorough analysis was made of the biological research needs of our industry, we were firmly convinced that the budget of the Ornamental Plants Section should be greatly increased. Our needs were made known to USDA officials and we were assured in writing that our request would be given serious consideration. We were utterly amazed to learn that USDA administrative officials completely disregarded our requests for increased appropriations in the 1959 budget and had even reallocated $50,000 from the 1959 budget to some other branch of agriculture.

In 1958 I appeared before this committee with an urgent plea that the $50,000 reallocated from the 1959 ornamentals budget be restored and that the sizable cut being made in the budget for the National Arboretum, Washington, D.C., be restored. After consideration of our testimony, your committee saw fit to recommend to the administration of USDA that these moneys be restored. This action was more than appreciated by the members of the floral industry throughout America. If your committee had not seen fit to intercede in our behalf, thousands of dollars' worth of vital research would have been interrupted and lost completely. Research in the field of ornamentals, once interrupted, cannot automatically be resumed when funds once more become available, but must be started all over again from the very beginning.

The survey made by the Society of American Florists last year plainly indicates that a more intensified and long-range research program by USDA is imperative for the sound economic growth and security of our industry. Our industry is made up of thousands of small operators unable to finance research of the type done at Beltsville which is necessary for their very existence.

Floral crops are classified by the U.S. Bureau of the Census as "horticultural specialties." The 1950 Census of Agriculture and the Special Census of Horticultural Specialties for 1949 reveal the economic importance of floral crops in the commercial agriculture of the United States. These figures reveal that the sales of horticultural specialties by farmers, over 60 percent of which were floral crops, were nearly three times the value of forest products sold by farmers, and compare favorably with sales of fruits and vegetables. Total value of horticultural specialties amounted to $392 million and accounted for 1.8 percent of all farm sales. This compares with 6 percent for farm sales of forestry products, 2.7 percent for vegetables, and 3.6 percent for fruits and nuts. There is little question that the present 1960 census will reveal a tremendous growth in our industry.

According to the General Report 1954, Census of Agriculture, volume 1, chapter 8, and Marketing Research Report No. 96, there are a total of 40,032 farm establishments reporting the production of floricultural and ornamental plants in the United States. There are some 26,500 business units engaged in handling and selling ornamental products.

The full significance of our crop has apparently not been generally recognized by administrative officials of USDA. Even a cursory study of the Department's budget for the past 10 years will reveal the tremendous amount of funds which has been allocated to solving problems facing the producers of fruits, vegetables, and forestry products. The producers of our floral crops have had similar problems but have not had comparable assistance from USDA in meeting and solving them.

Since assuming the position of executive secretary of the Society of American Florists 3½ years ago, I have given high priority to Government relations. My predecessor had inaugurated several projects in USDA, and I have attempted to continue this work and open up new cooperative programs in other branches. In my contacts with officials of the Department of Agricultare, I have found them to be friendly, sincere, and most anxious to cooperate, always dealing thoroughly, carefully, and constructively with each subject under consideration. Most of this work has been absorbed in their regular appropriations.

The Society of American Florists wishes to support in every possible way the needs of the Ornamental Plants Section, Agricultural Research Service, and certain branches of the Agricultural Marketing Service, U.S. Department of Agriculture. Specifically, we are making an urgent appeal for—

1. Additional funds to carry on the crop reporting program and expand its coverage to include all major floricultural crops in all 50 States. For the past 3 years the Agricultural Marketing Service has been reporting on only four major crops in 10 States. To be meaningful and useful, this study must be expanded and completed. We understand this program will require a $190,000 increase in appropriations in order to complete and maintain it.

2. Two years ago I appeared before the Senate Committee on Appropriations, Subcommittee of the Department of Interior, and requested the sum of $350,000 to be allocated for the erection of a research laboratory for the U.S. Department of Agriculture, Forest and Ornamental Plants Research Laboratory, in Delaware, Ohio. This laboratory was to be used jointly by the U.S. Forest Service and Agricultural Research Service, USDA, in investigations on forest insects, forest diseases, and ornamental plant problems. This appropriation was granted and buildings are now being erected on this Federal land. Sufficient funds should now be allocated to the Ornamental Plants Section to cover the cost of transferring greenhouse parts and equipment, plant materials, etc,, from their present site in Columbus to Delaware, Ohio. Additional professional and subprofessional employees should be added to this new installation to increase the research work which will be of great value to the ornamental plants industry as well as to the general public. There is great need to expand the research on insect and disease control since total losses of forest and shade trees and ornamental plants by these pests exceed by many times the great annual losses from forest fires.

The rapid increase in our population, along with the trend to suburban living, has created a greater public interest in landscaping

and gardening. It is public knowledge that there is a greater demand for the bulletins published by USDA on the care of flowers, trees, and ornamentals, and on gardening in general, than for any of the Department's other publications. The Ornamental Plants Section at Beltsville has increasing demands on its time fulfilling requests and answering inquires for advice and guidance from suburbanites and city dwellers who have acquired a genuine interest in flower growing and gardening. Additional personnel at Delaware would help alleviate the tremendous demands now placed on Beltsville. It is understood that an additional appropriation of $125,000 is needed to do the job properly at this installation.

Some of the ornamental plant problems that are of immediate concern to those interested in the production and maintenance of ornamental trees and shrubs include research toward the development of new and improved methods of disease and insect control through soil application of systemic chemicals; the control of infectious and noninfectious diseases affecting plant production; the cause and control of root rots with special reference to taxus and other coniferous species; the development of new and improved types of broadleafed evergreens with special reference to hardiness, foliage retention, and resistance to chlorosis and winter bronzing or windburn; the development of improved types of dwarf and compact flowering shrubs; and the development of new, intermediate-sized, pest-resistant shade trees.

3. Additional funds for the Ornamental Plants Section, ARS, sufficient to provide the necessary immediate- and long-range research for our industry. The amount necessary to accomplish the program envisioned by the leaders of our industry is $175,000 additional funds per year.

Much of the additional money which should be allocated to the Ornamental Plants Section would be used to renovate and modernize the greenhouses at Beltsville and to employ additional professional and subprofessional help.

Also, additional professional and subprofessional employees should be added to the following installations:

(1) The Coastal Plain Experiment Station, Tifton, Ga., where research is being done for the Southeastern States. Extensive research is being carried on at this experiment station on Easter lilies, an important new crop for these States. Also, this station is developing controls for diseases of azaleas, camellias and, mimosa. All three are important ornamental crops in this area.

(2) Important research is being carried on in Arizona in connection with diseases of the giant saguaro and other cacti. This research should be intensified.

(3) The Northwest bulb growers need more intensified research on flowering bulbs, particularly in the States of Oregon and Washington. This work is national in character as the research and product are made available to the entire country. States do not have facilities for carrying on this long-range research. This research deals primarily with problems of daffodils, tulips, iris, lilies, and gladiolus.

Specifically, there is great need for a plant physiologist to be located in the bulb-growing Northwest area at the Western Washington Experiment Station to carry on the following types of research:

(*a*) Physiological investigations of the maturing of bulbs, in particular Wedgwood iris, to study the chemical changes taking place during the complete life cycle and particularly during the maturing stages. The immediate practical goal would be the development of tests indicating the stage of maturity of bulbous iris, preliminary to heating and precooling treatments; (*b*) a study of the effects of different types of nutrition on the maturing of bulbs, their resistance to disease attack, and the increase in quality of their husks (tulips).

(4) Carnation growers throughout America are anxious that the work being done at Beltsville on the carnation industry's problem of wilt disease in its various phases be continued and intensified. They want the effect of disease resistance by the carnation through fertilization explored. These growers ask that the biological effect on carnations by nematodes, and the biological effect on carnations through radiation be studied. They also request that Beltsville continue and intensify the breeding program for disease-resistant stock, now in operation there.

(5) The rose growers of America agree that their principal need is for long-range rose-breeding research. Specifically, a clearer understanding of the genetic factors responsible for the important characteristics of the rose and how they are inherited is needed to make possible breeding some much needed improvements into parent stock of hybrid teas. These improvements are, primarily: better keeping quality, more stable colors, disease resistance, and more productivity.

As noted in this report, the "1950 Census of Agriculture" revealed that the sales of horticultural specialities were nearly three times the value of forest products sold by farmers and compared favorably with sales of fruits and vegetables. However, administratively USDA has never recognized this fact in their Agricultural Research Service. The Ornamental Plants Section is still classified under the Vegetables and Ornamentals Research Branch of the Crops Research Division. Presently the Director of the Crops Research Division at Beltsville is a most competent individual interested in the many problems of floriculture and ornamental horticulture. Technically, in order to deal with the Head of the Ornamental Plants Section, all matters must be channeled through the Chief of the Vegetables and Ornamentals Research Branch, thus causing much duplication of effort and delay in handling the problems of our industry.

We urgently request that this committee use its influence to suggest that the administration of USDA designate the Ornamental Plants Section as a Branch answerable directly to the Crops Research Division.

The important work now being carried on in the Ornamental Plants Section, Beltsville, should certainly be continued without interruption. No industry today can remain static and still maintain its economic position in the face of scientific and technological progress in competitive fields. These are some of the outstanding, pressing problems facing the industry today.

The Society of American Florists and Ornamental Horticulturists, representing the entire floral industry, urges this committee to give serious and careful consideration to the requested increase in appropriations for progressive, long-range marketing and biological research programs for our industry.

I think the only thing I would like to stress would be the fact we are asking this year for help for Beltsville to increase the budget of the Ornamental Plants Section, Agricultural Research Service; plus $125,000 to staff a new building that was built last year in Delaware, Ohio. It was built in cooperation with the Forest Service. They will be staffing their section and we want help there for ornamental horticulture.

On the Marketing Service, we have four of our crops in flowers and floriculture in crop reporting in 10 States. We have had it for the past 2 or 3 years. We have not had enough funds to have it completed in the 50 States. In our industry we have great need not only for crop reporting but for market news service; but before we get market news service we need crop reporting.

Those are the items we are principally interested in and, as I have stated in my statement, we have explored both and any help you can give us we would greatly appreciate.

Mr. MARSHALL. We thank you for appearing before the committee.

I note with interest that in your statement you call attention to the fact that the 1950 Census of Agriculture and the Special Census of Horticultural Specialities for 1949 revealed that the total value of horticultural specialities amounted to $392 million and accounted for 1.8 percent all farm sales, and that this compares with 0.6 percent for farm sales of forestry products, 2.7 percent for vegetables, and 3.6 percent for fruits and nuts. So that is quite a sizable industry.

Mr. WALKER. We feel it will be larger than has been shown heretofore. We have a new horticultural census being taken now. It is an industry on the upgrade and we feel it will continue climbing. More and more people are becoming interested in our industry.

Mr. MARSHALL. Thank you very much.

TUESDAY, MARCH 22, 1960.

SOIL CONSERVATION SERVICE

WITNESS

HON. LESTER JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. MARSHALL. The committee will be in order.

We are very pleased at this time to have our colleague from the Agriculture Committee, Congressman Lester Johnson, before our committee. Congressman Johnson has rendered outstanding service in the Agriculture Committee and particularly to the dairy industry in this country. We have had occasion to work with him on a number of occasions and have found him tremendously interested in all the agricultural problems of the country.

Congressman Johnson, do you have a statement to present to the committee? We shall be very pleased to hear from you.

Mr. JOHNSON. Thank you.

Mr. Chairman, I thank the committee for the opportunity to present my views on appropriations for the Soil Conservation Service.

I am deeply concerned about the recommendations by the President in the 1961 fiscal year appropriation for watershed protection. I know you on the committee are very much aware of these matters, but I want to introduce a fact sheet prepared by the National Association of Soil Conservation Districts on parts of the 1961 agriculture budget.

	1960 appropriated	1961 budget estimate	Changed from 1960
Soil Conservation Service:			
Assistance to soil conservation districts	$82,322,000	$82,882,000	$560,000
Watershed protection	22,750,000	27,750,000	5,000,000
Flood prevention (11 authorized watersheds)	18,000,000	15,000,000	−3,000,000
Great Plains conservation program	10,000,000	10,000,000	0
Agricultural Research Service:			
Salaries and expenses	138,847,990	139,320,000	472,090
Payments to State experiment stations	31,803,708	32,803,708	1,000,000
Extension Service:			
Cooperative extension work	64,123,222	67,424,967	3,301,745
(Included for Federal Extension Service)	(2,242,540	(2,392,660)	150,120
Forest Service:			
Forest protection and utilization	108,670,000	116,826,500	8,710,000
Forest roads and trails	28,000,000	30,000,000	2,000,000
Agricultural conservation program:			
Appropriation	241,500,000	242,600,000	1,100,000
Advance authorization	250,000,000	100,000,000	−150,000,000
Conservation reserve program (soil bank):			
Appropriation	335,000,000	361,783,000	26,783,000
Advance authorization	375,000,000	500,000,000	125,000,000
Corps of Engineers: Rivers and harbors and flood control	869,900,000	936,400,000	66,500,000

The budget proposes $82,882,000 for SCS assistance to soil conservation districts in fiscal year 1961. This is $560,000 more than was appropriated in 1960. This added money is for the purpose of providing funds for the SCS contributions under the Health Insurance Act which is effective next July.

The base for the assistance to soil conservation districts is the same as SCS has this year. It does not provide funds to put technicians in new districts which may be organized in 1961. It does not take care of the general increase in the cost of doing business. And it does not contemplate any additional technicians to help catch up with the backlog of work accumulated in so many districts.

The budget proposes $27¾ million for watershed protection work on Public Law 566 projects. This is $5 million more than was appropriated last year. Last year, however, there was a carryover of about $9.5 million which is being put to work this year. So, the actual proposal is a reduction of about $4.5 million from this year's level of operation. The budget proposes to initiate construction work on only 32 additional watershed projects in 1961. Also, it would reduce watershed planning by nearly one-third in 1961.

President Eisenhower's budget for upstream watershed protection and flood prevention, it seems to me, is unrealistic and unsound. Because of delaying factors that included tooling up for a new program, extensive amendments to the legislation, and many other problems associated with starting a new nationwide program, this is the first year that construction has caught up with available funds. The effect of the President's budget for 1961 will be to slow down and cripple the small watershed program at the very time the local people across the Nation are ready and anxious to take full advantage of it.

Gentlemen, when the Congress, with the support of this administration, enacted Public Law 566 it said in effect to every community in

the Nation: "Here is a program you want and need, one that you initiate and control; and the Federal Government will give you technical and financial assistance in planning and constructing your own projects."

It seems to me that we have a moral if not legal obligation to adequately support a program of our own creation insofar as it is practicable and feasible to do so. I realize fully that we must carefully consider all expenditures of public funds, but in doing so it is only fair that equal consideration be given to all programs in the water resource field.

The President's budget does not do this. I call your attention to the increase of $118 million for 1961 over 1960 in the budgets for the Corps of Engineers and the Bureau of Reclamation. This raises their combined total to $1.167 billion. This is quite a contrast—an increase of $118 million for the big dam program and an increase of $5 million, which actually amounts to a decrease in available funds, for the small dam program.

With all the matters the President has on his mind, especially this year with his recent trips to Europe and South America, I am wondering if he realizes what is being done to the small watershed program in the 1961 budget.

Back in 1955, I and a group of freshmen Congressmen elected in 1954 were invited to the White House to have lunch with the President. I had been elected October 13, 1953, and so was included with the 1954 group.

I sat next to the President and he was in the process of reading the book, "Big Dam Foolishness," by Elmer Peterson. As a result of his conversation, I know that he thought as I did—that the way to solve the flood control problem was through small watersheds all over the country. He was very enthusiastic for this approach at that time. I believe if some of you Republican members of this committee would advise him what this budget will do to small watersheds, he would tell you to increase it so that the program could forge ahead as it should. I have always supported the foreign aid program, but believe we should take care of our own people and our own precious topsoil before spending huge sums abroad. Otherwise our topsoil will be lost as has happened in China and India.

This action by the Bureau of the Budget is all the more puzzling when you consider that there has been a great deal of credit claimed by the administration for the small watershed program. Administration spokesmen have called it a great step forward in water resource work, and a program of equal importance to all other programs in this field.

I subscribe to those views, so often expressed by spokesmen for the administration, and I'm sure the Congress in general and members of this committee do too. But it seems to me that the administration's budget indicates dollar service to major water resource projects and lipservice to the small upstream projects.

I would not belittle the work of the Corps of Engineers and the Bureau of Reclamation, but, as you know, I am a strong believer in the small watershed approach. I believe the right kind of projects on the small upstream watersheds will practically eliminate the need to spend some of the billions of dollars authorized to be appropriated for mammoth dams.

But even those who disagree, or those who see great merit in both types of programs, can hardly argue that the President's budget treats both types of programs fairly. There's only one conclusion: The small watershed program is getting the short end of the stick. I urge this committee to do what it can to lengthen that short stick.

I believe we have reached a crossroads in the small watershed program. Beginning now, this program is either going to realize its full potential, or it is going to be starved out by failure of the Federal Government to keep the bargain it has made with thousands of local communities throughout the land.

I have done some checking on the status of the small watershed program in terms of what the President's budget will mean in fiscal year 1961. I understand that about 380 projects will be planned and ready for approval for operations by the end of fiscal 1961, but Federal funds for technical services will be available for only 310 such projects—leaving about 70 authorized projects not funded for technical services.

I understand that about 260 projects will be ready for construction by the end of fiscal 1961 but Federal funds for construction will be available for only 174—leaving about 86 ready-to-go projects not funded for construction.

I understand that the budget reduction in planning, a 30-percent cut, will reduce the number of Federal watershed planning parties from 42 to about 30. This will reduce the number of plans prepared from 100 to about 70, and the majority of planning parties would have to serve two States instead of one at present.

Every nonelection year I make an 8-to-12-week tour of my district to talk with the people and to find out their problems and how I, as their Congressman, can assist them. Last fall, I found that the local people who are supporting and promoting the small watersheds were very discouraged. In my district alone there are some eight watershed projects ready for technicians to make the first planning survey before the project comes to Washington for the first time. These are ones you don't hear about in Washington.

Now in Wisconsin they have a new angle. They have a priority system where each project is graded for a certain set of criteria and the ones that qualify first are taken care of first. But as I understand it, if after a small watershed has waited for 2 years for its first survey and a new project comes along that they think is better, the new project goes to the head of the list and the others wait longer.

There has been a big educational campaign to sell farmers the idea that small watersheds will solve their flood problems. But I ask you, what is going to happen if after all this talk, the farmers have to sit and wait 3 years before technicians come out to make their first survey? I know what is going to happen. The farmer will get discouraged and when we do get an administration which finally realizes it takes money to do this job, the farmer is going to tell the people it is no use. Ole Olson in French Creek waited 3 years and no one came. He is getting fed up with promises from Washington.

I would like to discuss a few of the projects I visited last fall which are waiting for their first survey. In Trempealeau County, French Creek has been ready since June 6, 1959, but it is 'way down on the list with no chance for several years unless the appropriation is raised.

The small watershed people, those who have been talking farmers into signing up, are discouraged. They asked me last fall, "Why start work on the Trempealeau project and start organizing when we will have to wait several years?" The Trempealeau County project is a large watershed which will have to be divided in several projects to come under the act. In 1954, with two floods, it cost over $1 million in roads and bridges destroyed and cities flooded.

In Jackson County, my home county, Trout Run is ready for its first survey and has been ready since August 28, 1959. Also, Shake Hollow application was approved on September 25, 1959.

In Eau Claire County, the Diamond Valley-Hay Creek application was acknowledged by the State soil conservation committee on March 20, 1959. The city of Augusta is waiting patiently. They have been flooded several times and a dam is out now. They are willing to contribute rather than to rebuild the old dam as ordered by the Wisconsin Public Service Commission. How long will the State public service commission wait or will they make the city put in a dam which will probably be in the wrong place for the small watershed?

In Pierce County, Plum Creek application was approved for planning June 6, 1959. Bay City was approved for planning March 9, 1959.

I have read in the papers the last few months that many new associations are being formed. There were three in one area in last week's paper. All these projects are not even known about here at Washington as they have not had their first survey.

I tell you seriously that this budget needs an increase of $5 million to hire new technicians so that States like Wisconsin can have two teams instead of one. And we should have an increase of $20 million additional in construction money for projects which have already been started or expect to be started by the end of the next fiscal year.

Mr. Chairman, I ask unanimous consent to include a chart on the "Status of Watersheds Under Public Law 566 in Wisconsin as of December 15, 1959," at this point in the record.

Mr. MARSHALL. If there is no objection, that will be placed in the record at this point.

(The material follows:)

1. Mill Creek, Richland County, SCD–39,096 acres. Approved for operations, April 3, 1958. Plan provides for eight water detention dams and 7 miles of channel improvement. One dam has been completed. Two others are complete except for seeding. Foundation investigations for 1960 construction are completed.

2. Lost Creek, Pepin County, SCD–5,189 acres. Approved for operations, August 2, 1957. The three proposed water detention dams have been completed. One of the two proposed channel improvements is finished. The second installation is planned for 1960 construction.

3. Alma-Mill Creek, Buffalo County, SCD–10,957 acres. Approved for operations, August 1, 1958. A contract has been awarded for the six proposed grade stabilization structures. One is under construction.

4. Coon Creek, La Crosse County, Vernon County, and Monroe County, SCD–92,589 acres. Approved for operations, July 30, 1958. Fifteen water detention structures proposed, with one under construction. A contract for four other structures was awarded in September with construction being postponed until spring of 1960. Field foundation investigations for seven other structures have been completed.

5. Bogus Creek, Pepin County, SCD–7,576 acres. Approved for operations, April 9, 1959. Two water detention dams proposed. Surveys and designs will

be completed in 1960, with construction planned for next year. Field foundation investigations are completed.

6. Bad Axe, Vernon County, SCD–132,000 acres. Approved for planning, October 16, 1958. Tentative work plan has been approved by Washington SCS office and copies referred to cooperating agencies. The plan will be reviewed with local sponsors and others in early January 1960.

7. South Nelson, Buffalo County, SCD–9,406 acres. Approved for planning, March 9, 1959. The tentative work plan has been referred to the Milwaukee E. & W.P.U. office.

8. Bay City, Pierce County, SCD–5,826 acres. Approved for planning, March 9, 1959. The tentative work plan has been referred to the Milwaukee E. & W.P.U. office.

9. Trout Run, Jackson County, SCD–7,594 acres. Approved for planning, August 28, 1959. Field surveys have been completed and work plan is being prepared.

10. West Fork of Kickapoo, Monroe, and Vernon Counties, SCD–77,500 acres. Approved for planning, September 11, 1959. Engineering field surveys have been started. Forest Service has completed field work. WCD is making woodland inventory.

11. Twin Parks, Iowa County, SCD–78,620 acres. Approved for planning, September 11, 1959. Field surveys have been started.

12. Garden Valley, Buffalo County, SCD–121,856 acres. Applications approved by State soil conservation committee, June 6, 1959.

13. French Creek, Trempealeau County, SCD–14,560 acres. Application approved by State soil conservation committee, June 6, 1959.

14. Plum Creek, Pierce and Pepin Counties, SCD–88,500 acres. Application approved by State soil conservation committee on June 6, 1959.

15. Diamond Valley-Hay Creek, Eau Claire County, SCD–11,131 acres. Application acknowledged by State soil conservation committee on March 20, 1959. It was returned for reconsideration by local sponsors and endorsers.

16. Shake Hollow, Jackson County, SCD–12,000 acres. Application approved on September 25, 1959.

Mr. JOHNSON. Gentlemen, is this keeping faith with the local organizations and the State governments who have taken action on the basis of Federal commitments? Local organizations have obtained easements and rights-of-way; they have raised funds, some of them by assessments and bond issues; many State legislatures have appropriated funds. The consequences of Federal failure to keep its bargain will be far reaching. Funds appropriated to State agencies and by county governments, if not spent in the period for which appropriated, will be lost. Local people will rightfully blame the Federal Government for stoppage of their projects just when they are ready to roll. A backlog will be created that will become a Frankenstein in a year or two—projects not started when they should have been will stand in the way of new starts. Eventually, a program that holds so much promise for the future of this country could be reduced to a token operation.

The time to fully implement the small watershed program, if it is to serve its high purpose, is now. We must be realistic about next year and the years to come. If this program is worthwhile—and I for one think it is the finest thing of its kind ever devised—then it is worth doing well.

Ask the people in the Lost Creek watershed in my home district what they think of their small watershed project and they'll tell you it passed its first flood test with flying colors. Let me quote from a letter from one of my constituents:

Yesterday we had a 4½-inch rainstorm in 7 hours. The three dams and the channel below handled the runoff with no signs of any flooding. Anyone who doubts the value of these projects has only to talk to the people in the watershed

to have their opinion changed. They are thrilled to know that their flood problems are licked.

As of now, 1,251 communities in 47 States and Puerto Rico are standing in line for the small watershed program. Of this number, 526 have been authorized to receive Federal planning help and 214 have been authorized for operations. This does not include the large list I have told you about in my district, of which there is no record here at Washington.

Several thousand more communities are ready to participate in this program in the years to come if we continue to make progress by keeping our commitments to the people. In Wisconsin alone an estimated 156 small watersheds need the help provided under the Small Watershed Act. So far in my State, five projects have been authorized for operations and six others are in the planning stage. If we don't keep up with this program now, where will we be in 2 or 3 years?

Curtailing a program that is just beginning to flower, as proposed in the President's budget, just doesn't make sense, and it won't make sense to the American people. The Federal Government must fish or cut bait.

I urge this committee to do everything within its power to satisfy the needs of ready-to-go, worthwhile small watershed projects that collectively will mean much more to the welfare of this country than any single program I know of.

I would like to have permission to include, at a later date, an article by Lou French, a great man who has now retired from the Milwaukee Journal. The last time I talked to him he was really worried about the future of the topsoil of our country.

I thank you again for the opportunity to present my views.

Mr. MARSHALL. How soon will this article be ready?

Mr. JOHNSON. Mr. Chairman, we did not have a copy in my office. I wrote to the Milwaukee Journal asking them to send it to me, and if I cannot get it within the next week or so, I shall not ask you to include it.

Mr. MARSHALL. These hearings will no doubt be published within the next week or so.

Mr. JOHNSON. If I can get it here in time, I shall appreciate having it printed in the hearings but if not, that will be all right.

Mr. MARSHALL. If there is no objection, it will be placed in the record with the understanding that if it does not come in, we will go ahead with the printing of the hearings.

Mr. JOHNSON. I wrote over a week ago for it but have not received it.

Mr. MARSHALL. We feel, Congressman Johnson, that you have made a very fine statement.

Mr. JOHNSON. I thank the committee for the opportunity of presenting my view on the appropriation for the agriculture conservation program.

An item in the budget for the Department of Agriculture about which I am disturbed is the agricultural conservation program. Again this year, like last year, the administration's budget proposes a reduction in the advance authorization of ACP to $100 million.

Faced with this proposition last year, this committee rejected it and provided an advance authorization for conservation cost sharing at the $250 million level. I urge you to do the same thing this year because conservation cost sharing is an essential element in completing land treatment measures on watershed projects.

I want to again express my appreciation to this committee for the help that Wisconsin farmers have received from your past action in establishing the maximum ACP payment at $2,500. This action has permitted Wisconsin farmers to use the ACP more effectively in solving their gully problems. In my section of Wisconsin the soil erosion problem is such that huge gullies are eating back into farmer's fields.

When the ACP maximum payment was set at $1,500 Wisconsin farmers could not effectively use ACP in solving their gully problems. Three years ago the committee increased the maximum payment to $2,500. You may be interested to know that the construction of diversion dams, drop inlets, and drop spillways in Wisconsin jumped from 24 in 1956 to 366 in 1959. These are all urgently needed, permanent-type conservation measures. I want to again urge that your committee not decrease the maximum ACP payment below the $2,500 level.

Last year I brought to your attention problems which were being experienced in Wisconsin in financing the needed technical services in ACP. The Soil Conservation Service technicians were bogging down in paperwork in handling ACP referrals. Your committee brought this problem to the attention of the Department of Agriculture. Consequently, simplified procedures have been put into effect. The new procedures still require, however, that the transfer arrangements be worked out in each county. This takes a lot of time of the technicians, which, in my judgment, they could better devote to helping farmers.

I proposed to your committee last year that funds for this needed technical work be supplied to SCS in the appropriations act. I want to repeat that proposal again this year.

The present arrangements are a continuing source of friction among the county workers. I think we could cure this problem once and for all by providing the needed funds in the appropriation act. I urge your committee to give this proposal your serious consideration.

Another thing I want to call to the committee's attention is this: When I was back in my district over the weekend of February 27–28, I talked to some of the technicians who actually do the work. They are doing a wonderful job for the farmers of the Nation.

With the budget figures as requested, they will have to lay off their additional helpers and reduce their staff. This is at a time when they should be hiring extra personnel instead of curtailing operations. When they leave their office now to make a trip to a farmer's field, they write a note explaining their absence. They need more office help, not less. I hope we will help them.

I thank you again for the opportunity to present my views.

Mr. MARSHALL. We thank you for that statement. Off the record.

(Discussion off the record.)

Mr. MARSHALL. Do I understand you have another statement which you wish to make?

Mr. JOHNSON. Off the record.

I would like to file at this time a statement on brucellosis eradication.

Mr. MARSHALL. We will be pleased to have it in the record at this point.

(The statement referred to follows:)

STATEMENT ON BRUCELLOSIS ERADICATION

Mr. Chairman, I am appearing before you today in a dual capacity. In addition to my own keen interest in the eradication of this livestock and human disease, I am officially expressing to you the conviction of the House Committee on Agriculture that this highly desirable program be maintained at a level which will insure its continuing success.

As chairman of the Dairy and Poultry Subcommittee which held open hearings on various House resolutions dealing with brucellosis eradication, I found, and the record shows, that to cut this program back at this time would indeed be "pennywise and pound foolish."

At page 23 of the official transcript of the hearing I asked the U.S. Department of Agriculture witness, Dr. M. R. Clarkson, Associate Administrator, Agricultural Research Service, the following question:

"Based on the progress made during 1958 and 1959, do you not think we can save considerable State and Federal funds in the long run if we return to such levels of support?"

Dr. Clarkson replied: "Well, in any disease eradication effort, the cheapest and quickest and most economical job is done if the State and the Federal Government and industry, all in cooperation are working at as high a speed as the particular disease will accept. Now, we did make very substantial progress in 1959, and given the same conditions of State support and industry support, and costs in general, it would appear on the record that somewhat faster rate of progress can be made than with current appropriations."

At page 24 of the transcript I asked Dr. Clarkson how much money the Disease Eradication Division asked the Department for in fiscal 1960. Dr. Clarkson replied, "$20 million."

Throughout the record it is abundantly clear that, in addition to a greater long-run cost, a cut below the $20 to $22 million level would contribute to declining State participation and a decrease in the number of counties certified as modified brucellosis free. The record shows that the greatest State participation was during fiscal 1958 and fiscal 1959, years when the Federal contribution was $22.2 million and $20.2 million, respectively. The record also shows a drop in certified counties from 436 in fiscal 1959 to 330 in fiscal 1960.

In conclusion, Mr. Chairman, the accelerated brucellosis eradication should be continued at a rate which we can reasonably expect to yield the maximum results at the lowest cost. This idea is the essence of the Committee on Agriculture resolution which I now submit to you.

Mr. JOHNSON. I wish to place into the record at this point a resolution as passed by the House Agriculture Committee.

Mr. MARSHALL. We shall be pleased to have that in the record.

(The matter referred to follows:)

COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES

Resolution to further reduce the incidence of brucellosis by providing Federal support to complete nationwide certification and proceed toward the eradication of brucellosis under the brucellosis eradication program

Whereas the Eighty-third and the Eighty-fourth Congresses indicated that it is the policy of the United States Congress to accelerate the brucellosis eradication program by increasing the Federal support of the cooperative State-Federal brucellosis eradication program; and

Whereas the increased support was made available by an authorization to the Secretary of Agriculture to utilize funds available to him in the Commodity Credit Corporation; and

Whereas this authority was withdrawn due to increased appropriations in the appropriation acts to the Department for the conduct of this program; and

Whereas remarkable progress toward the goal of elimination of brucellosis from the cattle of the United States was achieved during the first five years of the accelerated program, as evidenced by the fact that during this period a total of one thousand three hundred and twenty-six counties, including twenty-one complete States, Puerto Rico, and the Virgin Islands, qualified as modified certified brucellosis areas, which means that the infection has been reduced to a level of not more than 1 per centum of the cattle and 5 per centum of the herds; and

Whereas the incidence of brucellosis in man has been reduced from one thousand eight hundred and twenty-three cases reported in 1954 to seven hundred and twenty-one cases reported in 1959, and thereby eliminated unnecessary human suffering; and

Whereas the State and Federal support for the program during fiscal year 1959 made it possible to meet the service requirements necessary to advance the program in an efficient and effective manner; and

Whereas at the 1959 level it was estimated that the entire country could have attained modified certified status by 1965; and

Whereas the financial support from the Federal and State Governments for 1960 has been reduced to a level where drastic curtailment of many essential aspects of the program has been necessary; and

Whereas the reduced level of State and Federal support for the brucellosis eradication program has brought about a curtailment of the progress being achieved, as evidenced by the fact that there are now more than two hundred counties eligible to begin working for area certification, which cannot be undertaken because of the lack of funds and because as of February 1, 1960, there were only three hundred and twenty-two active area work counties as compared to five hundred and forty-four such counties at the same date last year; and

Whereas for lack of funds the level of calf vaccination has been reduced significantly in many areas, which will endanger the achievements of the program in the future unless corrected; and

Whereas it has been estimated that at the current level of support complete nationwide certification status cannot be achieved before 1974; and

Whereas this nine-year delay will require the expenditure of approximately $230,000,000 more to qualify the entire country for certification than would have been necessary if the work could have been continued at the 1959 level: Therefore, be it

Resolved by the Committee on Agriculture of the House of Representatives, That, since it is the sense of this committee that the brucellosis eradication program be maintained at a level which will make possible the most economical program achievements, there is hereby recommended to be appropriated $20,000,000 for fiscal year ending June 30, 1960, and $22,000,000 for the fiscal year ending June 30, 1961, and each of the four succeeding fiscal years.

Approved: March 15, 1960.

Attest:

CHRISTINE S. GALLAGHER, *Clerk.*

Mr. MARSHALL. We thank you for appearing before the committee and you have again indicated and shown your interest in this problem.

Mr. JOHNSON. I know you people have a big job.

Mr. NATCHER. I want to join with you in commending our friend and colleague, Mr. Johnson, on the fine statements he has made to our committee.

Mr. HORAN. I do not want to let the minority down. I want to join in that commendation also.

Mr. MARSHALL. Thank you very much.

TUESDAY, MARCH 22, 1960.

AGRICULTURE RESEARCH

WITNESS

HON. D. S. SAUND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. MARSHALL. At this time the committee will be very pleased to hear from our able colleague from California, Judge Saund.

Do you have a statement which you wish to make to the committee?

Mr. SAUND. Yes, sir, Mr. Chairman and members of the committee.

Mr. Chairman, I appreciate this opportunity to present my views to you and your distinguished colleagues in support of funds for agricultural research projects which are being conducted in my congressional district.

Riverside and Imperial Counties, comprising my district, are predominantly agricultural. More important, the agriculture is desert agriculture with special soil and water problems. Agricultural research, therefore, is of particular importance to the maintenance—and further development—of an agricultural industry that ranks Riverside and Imperial Counties among the top 10 counties of the Nation in farm output year after year.

The Department of Agriculture has recognized this need for agricultural research. It maintains the U.S. Salinity Laboratory at Riverside and the Southwestern Irrigation Field Station at Brawley. A share of Federal funds which are contributed to the California State Experiment Station are allocated to the Citrus Experiment Station at Riverside, a world-famous agricultural research center operated by the University of California.

In the report "Facility Needs—Soil and Water Conservation Research," prepared by the Department of Agricuture for the Senate Committee on Appropriations, the Department recommends expanded research to solve the unique soil and water conservation problems and develop new crops suitable for production in irrigated desert soils of my district.

In the 1961 budget for the Southwestern Irrigation Field Station at Brawley, however, the Department proposes a cut of about $13,000—from $205,294 in 1960 to $193,400 in 1961. This cut is in a vital area of the Brawley station's program—crop research.

For more than a year, I understand, the Department has been trying without success to employ a research agronomist to carry on research which had been started by an agronomist who resigned. The work included research with various strains of Bermuda grass which would penetrate the heavier soils of Imperial Valley and permit peneration of water so necessary to economic production of crops. Related research concerned alfalfa, a leading crop.

Discontinuance of this work would be a definite blow to the valley's agriculture. I respectfully urge that the committee restore the $12,994 for crop research at the Southwestern Irrigation Field Station at Brawley.

I should like to express my support of the budget item of $306,500 for the U.S. Salinity Laboratory at Riverside. Likewise, I urge

the approval of $684,902 for the California Experiment Station, a share of which will be allocated to the Citrus Experiment Station.

I strongly urge that additional funds be approved for the Western Soil and Water Management Division of the U.S. Salinity Laboratory at Riverside. Only $33,800 is budgeted for the project, which is carrying on dry-land farming research highly important to the farming of the Elsinore-Murrieta-Anza area of my district.

Also, I support California's request for additional funds for the conservation operations of the Soil Conservation Service, an extremely active agency in my district. I understand that a $560,000 increase which the Department has proposed for the Soil Conservation Service will be entirely utilized to meet the costs of the new Federal health insurance program.

May I submit that my district, like other areas of the Southwest, is urgently in need of more research in the fields of soil and water conservation and crop production. This fact is borne out by the Department of Agriculture's own report, which I referred to above, but not by its budget figures.

Your sympathetic consideration of our needs will be sincerely appreciated by myself and by hundreds of farmers in my congressional district.

There is quite an uproar in my district, because this particular experiment station is doing a very important work in research and I respectfully request that the committee restore that money in the 1961 budget and bring it up to the same amount as it was in 1960.

Again, I would like to express my full support of the full item of $306,000 for the U.S. laboratory at Riverside. Likewise, the approval of $684,000 for the California Experiment Station, a portion of which will be allocated to the Citrus Experiment Station which does the work for the California Experiment Station which is located in my district.

I know that the cuts have been recommended by the Bureau of the Budget, but they will set back the program of research which is very important at both of these experiment stations.

Thank you very much, gentlemen, for your time and courtesy in permitting me to appear before you this afternoon.

Mr. MARSHALL. We appreciate your coming before our committee and, as you have indicated in your statement, this money has been taken out by the Bureau of the Budget with the idea of shifting it over to utilization research.

We know and appreciate your interest in the problem.

Mr. SAUND. I know what the committee has done in the past and I hope you will in this instance.

Mr. NATCHER. Mr. Chairman, I want to join with you in commending our friend and colleague from California on the fine statement he has made to our committee.

Mr. SAUND. Thank you, sir.

Mr. HORAN. Judge, you represent one of the really expanding areas in the United States.

Mr. SAUND. Yes, sir. These two laboratories and experiment stations are really performing a service not only for my district alone but for the entire western part of the United States.

I welcome each one of you to come and spend some time in Palm Springs.

Mr. MARSHALL. We appreciate your appearing before the committee. You do a fine job of representing your district.

Mr. WHITTEN. I would like to join in the statements made about our colleague from California. He has done a good job of representing the agricultural interests of his people.

Mr. SAUND. Thank you.

TUESDAY, MARCH 22, 1960.

SOIL AND RESEARCH FACILITIES IN NEW YORK STATE

WITNESSES

HON. JOHN TABER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK
HON. HAROLD C. OSTERTAG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK
HON. ALEXANDER PIRNIE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK
HON. SAMUEL S. STRATTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. WHITTEN. Gentlemen, we have with us our colleagues on the Appropriations Committee, the Honorable John Taber and the Honorable Harold Ostertag. They are accompanied by the Honorable Alexander Pirnie, a Member of the House Agriculture Committee, and the Honorable Samuel S. Stratton, another distinguished Member of the New York delegation. These men appear before us today in connection with a matter in which they are interested, having to do with soil conservation research.

We are delighted to have each of you gentlemen present here and we shall be glad to have your presentation to the subcommittee.

I am aware of what your primary interest is since Mr. Santangelo, who is also interested in this matter, is on our subcommittee. I think this presentation comes at a time when the committee is giving some thought to ways and means to divert some of the money that is wasted in storage and handling of these large surpluses to other programs, such as the one you are here to discuss. I have about decided that we need to do something, within the limits of what we can, to require a reduction in such costs so that some of the moneys which would otherwise go in that direction be used to try to save the resources of our own country.

I have frequently expressed myself to the effect that whatever our predicament is, a sound country behind it is essential to meet our future problems. So, we are glad to see you.

I do not know which one of you might want to present this matter first. Since Mr. Santangelo is from New York City, he may wish to make some comment at the start. He called this to my attention earlier.

Mr. SANTANGELO. Yes, sir, Mr. Chairman. Mr. Ostertag and I are colleagues from the New York State Legislature and I am very happy that he is with us and is recommending that we have this research laboratory in the State of New York.

Testimony has disclosed that the Senate in its hearings recommended that a research laboratory be placed either in New York or in Pennsylvania. There is a definite need for it. The Agriculture Department so indicated, but there seems to be a lack of disposition on the part of the Agriculture Department to accept the recommendations of the Senate committee hearings. Based upon my inquiry into the subject, the Senate report indicated that the research laboratory in the State of New York would be of great benefit to this area and also to the adjoining areas in the adjoining States.

The gentlemen who are here before you come from the areas which are going to be affected by a research laboratory whose benefits will extend beyond the borders of the State of New York.

I think it is a very important program, and to the extent that I am able, I would recommend that the committee consider seriously having this research laboratory, on soil conservation in New York.

I understand that Congressman Taber is making the presentation of the subject and I think he is more intimately connected than I with the need of such a program. So are our colleagues, Congressman Ostertag, Congressman Pirnie, and Congressman Samuel Stratton of New York.

I am very happy to see them here this afternon to advocate and present to the committee arguments recommending such a program and such a research laboratory.

Mr. WHITTEN. We thank you very much and shall be glad to hear from Mr. Taber at this time.

STATEMENT OF REPRESENTATIVE JOHN TABER

Mr. TABER. Mr. Chairman and members of the committee, New York is getting into a situation where a great deal of our timber has been cut off and as a result the water is not held back in the ground and the springs do not function as well as they did years ago.

We need, and a good many of our more progressive farmers have come out and have done a great deal along that line itself, to conserve the water as much as we can and see that it is kept where it can be used by the farmers in the driest part of the season.

The Cornell Agricultural College has a great deal of land and a great deal of facilities which are all ready to go and we are in hopes that the laboratory can be established there.

The country is pretty well dented with lakes and ponds and that sort of thing, and the right kind of an approach on the part of those who really know how this job should be done, we believe will open up the way for the maintenance of New York agriculture. It is one of the best-producing farm income States in the Union.

Our situation is such that if we are given the right support for our agricultural people, we can continue to keep it in that shape and the conservation work there can go on and be made effective quickly and effectively.

Last December, in the early part of the month, I was waited on by a group of farmers and representatives of the College of Agriculture at Cornell, and they told me of the extreme interest which the farmers in New York had in this proposition.

We had a gathering—a statewide meeting—of farmers and educators in room 18, downstairs, one afternoon about 2 weeks ago and they presented very substantial reasons why they should have this assistance.

I just hope you can do it for them.

Mr. WHITTEN. We certainly wish to thank you, Mr. Taber. I know of no one who has a finer record in the Congress and on the Appropriations Committee for spending money wisely, than you. I am certain that this subcommittee is going to stay within the overall budget, and perhaps below the overall budget, for the Department of Agriculture. But, I do feel that it devolves upon us, within the budget and within the funds that we do appropriate, to give attention to spending the money wisely to the extent we can.

I will say again I do not know of anyone in whom I have greater confidence or whose longtime standing for economy—not the amount of dollars but economy in the use of dollars that are spent—than yourself.

We are pleased to have your statement.

Mr. Ostertag, we shall be glad to hear from you at this time.

STATEMENT OF REPRESENTATIVE HAROLD C. OSTERTAG

Mr. OSTERTAG. Thank you. I have a statement, Mr. Chairman, and, perhaps, it might be helpful if I read it. But before I do, I think it should be made clear that Mr. Taber, Mr. Santangelo, Mr. Stratton, Mr. Pirnie, and I are here representing the entire New York State delegation. In other words, the entire 43 members from New York State are united in our position and our recommendation of this proposal.

I would like to add, as Mr. Taber has pointed out, that there are many groups and organizations interested in and supporting our request. Every farm organization in our State is backing us and urging that this step be taken, including industrial groups, processors, conservation groups, and the like. As a matter of fact, we have endorsements and recommendations from some 21 organizations.

I am pleased and grateful to have the opportunity to appear before this subcommittee and present what we feel to be, compelling reasons why funds should be included in the agriculture appropriations bill for fiscal year 1961 for the establishment of a soil and water research facility in New York State.

In order to consider this request in the proper perspective, we should examine the need for such a facility and, if established, the importance it will have to the welfare of the Nation.

The management and effective utilization of our country's water and soil resources has become one of our most pressing national problems. Predicted future needs for water by municipalities and industries, and for agricultural and domestic purposes, are in excess, even in humid regions, of that which is available under our present methods of water management and utilization. Even our present-

day needs are taken care of inadequately. This is because of our inability to properly control the rate of flow or loss of water from our farms and forests, and in turn to supply water of uniform rates for industrial, municipal, and domestic use. Water resource management is thus seen to be vital to all segments of the American economy.

Our understanding of the basic relationships among climate, soils, and plants, will largely determine our ability to harness our great water resources for the good of all concerned.

There are a number of important facts we need to know about our soil and water resources, if we are to stretch our water supply to fit the needs of an increasing population and at the same time produce adequate food. Some of these factors are infiltration, how fast does rainwater soak into our many different kinds of soil; water-holding capacity; water use efficiency; irrigation, correct irrigation practices and soil-water control are, at least in part, the answers to the problem of quality control; erosion, runoff, and floods, limiting factors as lack of moisture or fertilizers due to the loss through runoff and erosion can cause serious damage to our total agricultural production.

At the present time there are many gaps in our knowledge of soil-water plant relationship. If we are to produce better crops and conserve our water supply, we must strive for careful development, allocation, and use of our resources.

Mr. Chairman, there is a nationwide recognition of an impending water crisis. In January of 1959 at the request of the Senate Appropriations Committee, the Secretary of Agriculture appointed a group to study the soil and water research needs of the Nation. This group was composed of representatives of land-grant colleges, Soil Conservation Service, State Agricultural Research Service, and State experiment stations. After an exhaustive study this group of experts made a number of recommendations which are contained in Senate Document 59. Included in these recommendations are:

(1) Establishment of regional laboratories throughout the country to investigate soil-water-plant relationships. In connection with this the establishment of a national soil-water-plant relationship center is also recommended. This is borne out on page 134 of Senate Document 59 which specifically states, I quote:

> An understanding of the relationships between soil, water, and plants is basic to improvements in the efficiency of crop production, proper land use adjustments, and the conservation of soil and water resources. In order to provide for a more concentrated approach to these problems, a national center for soil and water plant relationships should be established. * * * The center should be located at or adjacent to a land-grant college or a university with strong programs in areas related to the work of the center.

End quote.

The logical location for this center would be adjacent to Cornell University in Ithaca, N.Y. Cornell is one of the leading agricultural schools in the United States. Such a location on the campus of Cornell University at Ithaca, N.Y., offers all the advantages of cooperating facilities and faculty in producing fundamental research of highest quality.

(2) Another recommendation set forth in Senate Document 59 calls for units to study factors important in watershed management and water yield in typical watersheds. The group cited the need and strongly recommended the establishment of four to six major experi-

mental watersheds. The location of one of these watersheds, they have determined, should be in the eastern section of the country and they cite Ithaca, N.Y., as a desirable location.

(3) A third recommendation made by the group is the establishment of field stations for specific and detailed studies. This recommendation is for additional facilities for the U.S. Plant Soil and Nutrition Laboratory which is presently located in Ithaca, N.Y. To quote part of Senate Document 59 which points out the need for these additional facilities:

> It is essential that vigorous research programs be directed toward a complete understanding of the way in which the soil controls the nutritive value of forages.

The estimates made by the U.S. Department of Agriculture, contained in Senate Document 59, for facility costs and needed annual support for a laboratory that could be located in the Northeast are as follows:

	Capital construction costs (1st year only)	Annual operating funds (2d year and thereafter)	S. Doc. 59
A. Soil-water plant relation studies	$900,000	$560,000	Pp. 170, 134.
B. Plant-soil nutrition studies	500,000	415,000	Pp. 169, 129.
C. Watershed hydrology studies		[1] 300,000	P. 171.
Total	1,400,000	1,275,000	

[1] Would also occur 1st year to enable equipping of watersheds for study and analysis.

Mr. Chairman, as I have pointed out there is an urgent need for research facilities and financial support for studies on soil-plant-water relations, and on the application of these relations to the production and utilization of plants of high nutritional quality and to practical watershed management. In view of New York State's (1) support of research within the State, (2) great importance as an agricultural production area, (3) interest in and great need for adequate water supplies, and (4) large percentage contribution to the total national income, it is our conviction, and that of many experts in the field, that New York State is not only deserving but would prove to be an advantageous location for these facilities as well. Let us examine some of the factors that tend to bear out this contention:

(1) New York is an important agricultural State with $850 million in agricultural production in 1958.

(2) New York State furnishes $5,536,000 in research funds in support of State experiment stations. This ranks second in such support among the States.

(3) New York spends $6.40 for each $1 of Federal support to experiment stations in New York.

(4) In the northeast region, non-Federal funds for research amounts to some $15 million annually of which New York State provides over one-third of the total while receiving less than one-fifth of Federal research funds for the Northeast.

Mr. Chairman, in the light of these important facts, and on behalf of the entire New York State congressional delegation, I urge this committee to include in the agriculture appropriations bill for fiscal

year 1961, funds necessary to establish a soil and water research facility and further urge you to recommend that such facility be located in New York State.

Mr. SANTANGELO. Mr. Chairman, I would like to point out to the committee that in the working group's own report, dated January 15, 1959, it points out on page 239 that the laboratory to which Congressman Ostertag is referring was built in 1938 in such a manner that there was provision for an addition to the buildings, and that there would be no difficulty in adding a building to the present facility in order to expand the program.

I would like at this point in the record to insert the statement by the Department of Agriculture which appears on pages 238 and 239 of its report of January 15, 1959, which would indicate that the Ithaca facility lends itself to an addition and the objectives and purposes of such a program.

Mr. WHITTEN. Without objection, it is so ordered.

(The matter referred to follows:)

U.S. PLANT, SOIL, AND NUTRITION LABORATORY, ITHACA, N.Y.

The effect of the soil on the nutritive value of crops has been a subject of concern for many years. Popular publications have, from time to time, carried "scare stories" indicating that use of fertilizer or insecticides or that low soil fertility presented dangers to the national health. Research on this subject has generally shown that the food consumed by Americans, originating as it does from the produce of many areas, is not endangered by soil deficiencies or excesses of toxic substances. In the case of livestock, however, where the entire ration is likely to come from a single farm or ranch, deficiencies of essential elements and excesses of detrimental elements have been proved. Molybdenum toxicity is common in certain areas of the West, and cobalt deficiency is found in some of the ground water podsol soils of the Coastal Plain.

It is essential that a vigorous research program be directed toward a complete understanding of the way in which the soil controls the nutritive value of forages. The problem is a national one and specific phases of it are usually common to several States. As forage crop yields are pushed to higher levels with fertilizers, and as higher rates of animal growth are made possible through better breeding and the feeding of hormones and antibiotics, the problem is likely to be intensified. Even at present, there are numerous instances where lush, highly fertilized pastures fail to give animal production commensurate with forage growth. The cause in some of these instances is probably the chemical composition of the forage.

The U.S. Plant, Soil, and Nutrition Laboratory is one of the Bankhead-Jones laboratories established in 1938. The laboratory has been charged with investigating the role of the soil in determining the nutritive value of crops produced upon it. At the time the laboratory was established, the building was designed so that additional space could be added, since it was felt that the initial staff and program would be only a nucleus for an expanding organization. In the 20 years since the laboratory was established, the proposed expansion has never materialized. With rising costs of research, the actual level of activity has decreased. Nevertheless, the laboratory has been able to maintain a position as a focal point of information on mineral nutrition problems. In some cases, research at the laboratory has provided a basis for rational analysis of nutritional situations that might otherwise have led to unjustified concern on the part of the general public.

In order to bring the staff and program of the laboratory up to a level commensurate with its assignment, the building should be completed according to the original plan. Facilities should be provided for experimental work with large animals. These facilities need not provide for large numbers of animals, but should enable the staff to conduct metabolism experiments with a few animals. Facilities for studying the intake, retention, and body distribution of elements are needed, along with the service and laboratory rooms necessary in conjunction with these facilities.

Mr. OSTERTAG. Thank you very much, Mr. Chairman.

Mr. WHITTEN. Thank you, Mr. Ostertag.

Now, we shall be glad to hear from Congressman Pirnie of New York.

STATEMENT OF REPRESENTATIVE ALEXANDER PIRNIE

Mr. PIRNIE. Mr. Chairman, I am a member of the House Agriculture Committee and have had a little opportunity to consider the problem which you discussed earlier as to the wise expenditure of money so as to strengthen the economy of the country. I am convinced that this request here fits the specifications which you have so clearly put forth.

I am not going to go into detail, but I would like to submit the statement which I have here, together with a little supporting data, and a statement by the professor of agronomy at Cornell University, Dr. Brady, which deals very intelligently with the water research needs of the area to show its relationship not only to agriculture but to the expanding needs of the population. I believe that some of the information which is contained therein will be very helpful in analyzing this need, and I would like to just emphasize what Congressman Ostertag said with regard to Cornell and the interchange of not only facilities as to convenience, but the men engaged in the work and their proximity would add to the efficiency of the work and, I believe, help to make the center as outstanding as we might desire.

Mr. WHITTEN. Thank you. We shall be glad to have that material included in the record, and we wish to thank you for your presentation. We know of your longtime interest and efforts in connection with agriculture.

(The matters referred to follow:)

STATEMENT OF HON. ALEXANDER PIRNIE, MEMBER OF CONGRESS, 34TH DISTRICT, NEW YORK

Mr. Chairman, as a Representative from the State of New York who is serving on the House Agriculture Committee, I take particular pleasure in appearing before you today to testify as to the need for the establishment of a Federal soil and water research facility in the Northeast and to urge its location in our State.

The need for such facilities in our area is very apparent because of the increasing problems and requirements relating to soil and water in this part of the country.

Indeed, the management and effective utilization of our Nation's water and soil resources have become one of our most pressing problems. Agriculture and industry must have adequate water if they are to prosper and meet the growing needs of an expanding population. The rapidly increasing demand for water by agriculture, industry, and the domestic needs of individuals, has already created many situations where lack of readily developed water resources is limiting future growth and expansion. Our understanding of the basic relationship of climate, soils, and plants will influence greatly our ability to harness our great water resources.

Although abundance of water undoubtedly affects the efficient production of crops more than any other single factor, surprisingly little is known as to how plants obtain and utilize it. The basic soil-water relationship must be understood if full advantage is to be taken of recent advances in crop research and fertilizer technology. Further, such research will facilitate greatly existing work in experimental watersheds.

The New York State College of Agriculture at Cornell University has long been a leader in agricultural instruction and research and it would seem good judgment on the part of the Federal Government if this regional research facility for the Northeast were located near this great institution in Ithaca, N.Y. Its

construction adjoining the U.S. Plant, Soil, and Nutrition Laboratory at this site would result in increased efficiency and dollar economy since it would facilitate an interchange of technological and scientific information between the staffs of these institutions.

Perhaps the best case for the need of this facility is contained in Senate Document 59, 86th Congress, 1st session. It is a report of a working group appointed by the Secretary of Agriculture at the request of the U.S. Senate for a study of the needs for research facilities in the area of soil and water conservation. The Department's task force comprised representatives from the Soil Conservation Service, Agricultural Research Service, and the land-grant colleges. This group toured the country, holding hearings in several regions at which representatives from various agencies concerned with water and soil conservation research gave very comprehensive testimony.

In Senate Document 59 there are three recommendations which have direct bearing on this needed program.

First, there is a recommendation for the establishment of "hydrology of agricultural watersheds" research in each of several regions of the country, together with a specific recommendation for the Northeast and a detailing of the operating budget of such a center. (See pp. 127–128 and 171–172.)

The second recommendation relates to completion of the U.S. Soil, Plant, and Nutrition Laboratory on the Cornell campus. This Laboratory is described on pages 129 and 130 of the report, with specific proposals for construction and operating funds being set forth on page 169.

The third proposal concerns the establishment of a national center devoted to soil-water-plant relations. This is discussed on page 134 of the document, with construction and operating funds outlined on page 170.

It is proposed and I urge that the objectives of these recommendations be accomplished through a single laboratory research center located in New York State, preferably in association with the present U.S. Soil, Plant, and Nutrition Laboratory. This would enable the scientists stationed at this central location carrying out fundamental research on plant nutrition and soil-water-plant relations to have contact with the research personnel engaged in watershed hydrology studies in the field. Although the work of researchers at this central Laboratory would be directly concerned with the Northeast and New York State, much of its research work would be of national importance, being coordinated with studies in comparable Federal laboratories located elsewhere in the country.

As additional background information I would like to include in the record a "Summary Statement on Soil and Water Research Facility Needs" prepared in cooperation with the New York College of Agriculture. Further, I think it would be of interest to this committee to include in the record the text of an address on this subject delivered by Dr. N. C. Brady, head, Department of Agronomy, New York State College of Agriculture, before the annual meeting of the New York State Agricultural Society.

In conclusion, Mr. Chairman, I wish to thank this committee for the opportunity to present the needs of our area in this vital field of soil and water conservation research. I wish to stress that these needs are not only regional in nature but have national significance. Action at this time is vital if we are to meet this problem of increased use of water by a growing population and an expanding economy. I urge inclusion in the 1961 budget of an appropriation to provide this facility.

SUMMARY STATEMENT ON SOIL AND WATER RESEARCH FACILITY NEEDS

NEEDS

There is a great need to expand the total research program in the area of soil-water-plant relationships.

I. Irrigation: In the field of irrigation in the Northeast we are but starting to tap the possibilities of crop growth and yield through the careful manipulation of water available to plants.

In New York State we have increased irrigated acreage from a few thousand in 1940 to approximately 80,000 acres in 1959 and may reasonably expect upward of 200,000 acres of irrigated crops in the near future.

Irrigation of many of our market, canning, and freezing crops is an absolute necessity if we are to compete with other areas in yield per acre and quality control.

We have already lost a large portion of our tomato acreage for canning and processing due to this lack of yield and quality control through irrigation. Processors of crops for baby foods now demand absolute quality control which we must have to hold this market. Correct irrigation practices and soil-water control are, at least in part, the answers to the problem of quality control.

At present there are many gaps in our knowledge in the soil-water-plant relationship. What are the water-holding capacities of our many soils? How may we so manipulate the soil-water so as to produce a quality crop with a minimum of water, of fertilizer and of labor? How may we reduce the great amount of water uselessly transpired by our noncrop plants, to make more of our total water supply available for our many uses?

Answers to these and many other basic problems are needed to produce better crops and conserve our water supply.

II. Runoff and erosion: What are the infiltration rates of our many soils under different types of vegetal cover and topography? How much water and soil is lost from our crop fields and how might we better manage the land to save this water and make it available for later use by the growing crop? What are the water runoff losses from the many different conditions of soils and slopes?

Again total yield and quality control depend on continued vigorous growth of plants. Limiting factors as lack of moisture or fertilizers due to loss through runoff and erosion can cause serious damage to our total agricultural production. Continued careful investigations of these problems offer rich rewards in solution of these basic questions.

III. Other segments of our population are vitally interested in our total water resources. Greater efficiency of use by crops and plants will mean more water available for other interests.

Per capita use for municipal and domestic purposes has been stated at near 150 gallons per day with predictions for future needs of many times this amount.

Some two-thirds of our total rainfall is lost through evapotranspiration processes. Modification and control of these processes offers water supplies in excess of the total being used at present.

ACTION

I. There is a nationwide recognition of impending water crisis.

II. At the direction of the U.S. Senate, a group appointed by the Secretary of Agriculture, composed of people from the U.S. Agricultural Research Service, the Soil Conservation Service, and the State experiment stations and others, studied the soil and water research needs of the Nation.

III. Recommendations of this working group included—

(*a*) establishment of regional laboratories throughout the country (see mimeo material pp. 159–172) to investigate soil-water-plant relationships;

(*b*) setting up watershed hydrology units to study factors important in watershed management and water yield in typical watersheds;

(*c*) establishment of field stations for specific and detailed studies.

IV. There are facilities all of which are needed in the Northeast and of which we can utilize to their fullest in searching answers to our many basic problems in soil-water-plant relationship studies.

Estimates made by the U.S. Department of Agriculture for facility costs and needed annual support for a laboratory that could be located in the Northeast are as follows:

	Capital construction costs (1st year only)	Annual operating funds (2d year and thereafter)
A. Soil-water-plant relation studies	$900,000	$560,000
B. Plant-soil-nutrition studies	500,000	415,000
C. Watershed hydrology studies		[1] 300,000
Total	1,400,000	1,275,000

[1] Would also occur first year to enable equipping of watersheds for study and analysis.

It is assumed that housing for staff concerned with the watershed hydrology studies and laboratory space to support their work is included in that for the fundamental soil-water-plant relations studies. It is also assumed that plans for the facilities for items A and B would be coordinated and that some facilities would be used jointly by men concerned with the two phases of the research.

V. If we in the Northeast, and particularly New York State, are to secure these laboratory and watershed facilities, the effort must be supported by our Congressmen, as has been the case in States in the South and West, where other research stations have been installed. Some 12 bills for laboratories in other sections of the country have already been introduced by Congressmen or Senators from other States.

The people of New York deserve such consideration, in view of its support to research within the State, its great importance as an agricultural production area, its people's interest in and its great need for adequate water supplies, and its large percentage contribution to the total national income.

Water Research Needs of New York State

(By N. C. Brady[1])

I am indeed honored to have the opportunity to discuss with members of the oldest and most distinguished farm organization in New York some of the pressing research needs relating to the water resources of our Nation, region, and State. It is most impressive to see the emphasis that your organization and others like it, not only in agriculture, but in industry, municipalities, etc., are placing on water, its wise conservation, utilization, and management. It is a credit to you and to your leadership that the New York Agricultural Society has in the past foreseen the problems relating to our water resources and have attempted to do something about them. As recently as 1956 a major part of the program at your annual meeting was devoted to discussions on water. Since then you have consistently supported efforts to learn more about the water resources of our great State and to determine ways and means of making more effective use of them. Not only agriculture, but the entire economy of New York State is now indebted to you and will be even more indebted to you in the future for your efforts.

Before we turn our attention to some of the specific needs for water-related research, let us review briefly the place of water in our national life and in that of past generations. The significance of water is expressed most effectively in the opening statement of the 1955 Yearbook of Agriculture (Water): "You could write the story of man's growth in terms of his epic concern with water."

Why is this liquid, so commonplace and of such general abundance, of such universal concern?

In the first place we must remember that all life is dependent upon water. Living organisms from microscopic bacteria through the higher plant and animal kingdom, including man, would perish without this life-giving substance. Their dependence on water is best illustrated by the location of plants, animals, and man in nature. The pattern of settlement and western movement of our pioneer forefathers exemplifies this point. As the early settlers moved westward from the Atlantic coast, the pattern of movement was very closely related to that of our lakes, streams, and rivers.

Present day industrial and municipal developments and expansion are determined quite largely by the quantity and quality of available water resources. An excellent example of this fact is the rapid expansion of industry in the areas such as in the Tennessee Valley region since that river has come under the nearly complete control of man. A dependable year-round source of water is a resource that can hardly be matched.

There are so many things that water can and is doing for man in our modern civilization. Although his bare needs as a living organism can be met by as little as 3 to 6 pints of water a day, he commonly uses from 50 to 150 gallons. Much of this water is used to keep him and his surroundings clean. It bathes or showers him, it helps clean his clothes, his dishes, and his house. Automatic dish and clothes washers, although efficient and convenient for the housewife, have markedly increased man's daily needs for water.

Other important uses for water which we so often take for granted include the washing away of human wastes, watering lawns and flowers, and for cooling our homes, offices, and factories.

[1] Head, Department of Agronomy, Cornell University.

Industrial use of water in our modern economy dwarfs that for domestic purposes. In the eastern half of the United States, for example, some five times as much water is used by industry as for household purposes. The quantity of water required to operate modern factories often exceeds that of cities of 50 to 100,000 or even 1 million. Luckily much of this water can be and is recirculated so that it can be reused.

The above illustrations indicate quite clearly why every American should be cognizant of the value of water resources. But are there any particular reasons why we who are concerned with agriculture should have special interests in this life-preserving liquid? We can look for our answer in part by focusing our attention for the moment in the western half of our Nation, particularly if we turn the clock back a century or so. Here we would find that the agriculturalist, in order to survive, was forced to supplement nature's ability to supply water for his crops. Irrigation became as important in the development of the West as was man himself. Water permitted our pioneers to subdue the dry, parched deserts of the West and to make them blossom as the rose. A century or so later we too are beginning to see even in our so-called humid state, what a dependable supply of water can mean to permanent agriculture.

A second and very important reason for our keen interest in water as agriculturalists is that sometimes our humid climate supplies us with far more water than our soils can hold. This results in excessive runoff from our fields and forests, a nuisance at best and a calamity at worst. Not only are our fields denuded of valuable topsoil, but the water moves into our streams at uncontrolled rates carrying silt which ultimately finds its way into municipal water supplies or silts up our lakes and reservoirs. Some excess water may stay on the land, especially in the spring, unless artificial drainage systems have been installed.

The special concern of the agriculturalist with water then, is twofold: sometimes he gets too much and sometimes too little. In either case he is not alone in his concern, or at least he should not be. The problems of the farmer with respect to water excesses or deficiencies soon become the problems of all concerned with water resources. One-half of the precipitation which falls in New York State does so on farmers' soil. The disposition of this water, important as it is to the farmer, determines to a considerable extent its value to the downstream users. Likewise, since supplies of irrigation water must be obtained from common sources used by other segments of the economy, moisture deficiency, which limits crop production, is seen to be of vital importance to all water users.

Time will not permit any but the briefest reference to the extent of our knowledge on the effects of deficiencies and excesses of water on our agriculture and general economy. The meteoric rise in the use of water for supplemental irrigation in New York speaks well for the recognition by farmers of our State of the economic necessity for eliminating moisture deficiencies if our great vegetable industry is to remain solvent and stable. The best example is offered by the potato and vegetable growers of Long Island, but similar examples exist in the drier parts of western New York where canning crops and other fruits and vegetables are grown. The time has long passed when we could depend entirely on Mother Nature for all the moisture required to produce our high-value-per-acre crops. Demands for dependable quality as well as quantity of produce are being made by processors of these crops, demands that can be met only if there is sufficient water.

In order to help us visualize our water resource problems, let us consider for a moment a simple illustration of the hydrologic cycle. Precipitation, in the form of rain or snow, falls intermittently on our farms and forests. This water can move in three different directions. First, if it falls on the ground rapidly enough, some of it will run off over the surface and eventually enter our stream channels and other bodies of water. Much of the water will infiltrate into the soil and in some cases become part of the ground water which, too, will eventually move into streams and to lakes or oceans.

Most of the water which enters our soils is returned to the atmosphere as a result of transpiration of growing plants or evaporation of the moisture from the soil's surface. These last two forms of soil moisture loss are often referred to as evapo-transpiration since they are concerned basically with the same process, that of evaporation from the earth and its cover.

These facts then remind us of two things with respect to our water resources. First, our water resources are renewable. That is, water falling over a given area is merely part of a gigantic and complex cycle. The challenge to man

is to modify or control the rate of movement through this cycle so that these water resources can be of maximum benefit to him.

The hydrologic cycle reminds us of a second important concept. That is, the interdependence of all concerned with water. The industrialist, the city engineer, pollution abatement officials, and others are all very much concerned with the rate at which water moves over the surface of the farmer's field and finds its way into stream channels. Along with the farmer, they are all concerned when attempts are made to divert some of the water from our stream channels for irrigation purposes. Likewise, because of the seemingly extravagant loss of moisture from plants and soil by evapo-transpiration any means of modifying this loss of moisture to the atmosphere would be of great significance to our friends in the factories and in the communities of New York State.

In order to obtain a somewhat more complete picture of what happens to the water which falls on our land, let us make some quantitive estimates of the disposition of our annual precipitation. Let us assume that the average rainfall for the State of New York is about 35 inches. Streamflow and other data indicate that some 30 to 50 percent of this moisture addition will find its way into our streams and ground water. Thus, we might expect that some 15 inches of the 35 that fall on New York State would be moved into lakes and oceans in this manner.

In this connection it should be noted that less than 10 percent of our streamflow water is removed for man's use and not returned. This amounts to about 1 inch of precipitation in New York State and includes the small amount used by farmers for irrigation.

If only about 15 inches of the 35 which we receive in New York flows back directly to the ocean in liquid form, what happens to the remainder? It is lost by the process of evapo-transpiration. This is estimated at 50 to 70 percent of the total precipitation, or for our State it might amount to something like 20 inches. It is obvious that any slight reduction in losses of moisture by evapo-transpiration would greatly increase the amount of water available for consumptive use by farmers and others. It has been estimated, for example, that if a 5 to 10 percent reduction could be made in the rate at which evaporation from soils and plants occurs, the amount of water available for consumptive use in New York State would be approximately doubled. Here again is underlined the interdependence of the farmer and other segments of the economy of our State. It also emphasizes the challenge to our agricultural and other scientists to learn more about this great hydrologic cycle and to determine ways and means of modifying, if only so slightly, the rate at which water moves through the cycle.

Given this relatively simple description of the disposition of precipitation in New York State, one might be impressed with the simplicity of the situation and might be misled into thinking that the control of the hydrologic cycle was relatively easy. Such is definitely not the case. Although the general disposition of rain and snowfall can be shown quite clearly, man knows relatively little about some of the fundamental and specific processes that occur as part of the hydrologic cycle. Let us take, for example, the fundamentals of water use by plants. We know that water enters the soil and that plants take it up. It must be there if the plants are to grow normally. All too little is known, however, concerning such processes as the movement of water into and through soils of different kinds. We are as yet uncertain as to the exact mechanism by which plants absorb moisture from soils, especially as we work with soils that differ in their basic characteristics of water holding capacity and water infiltration. We know that plants absorb water rapidly only if the moisture content of the soil is relatively high and that much of the water in soils plants cannot use. If we knew more about the physical process of absorption of water by plants, it is conceivable that more complete water utilization could be obtained. The nature of the mechanism of water transport through plants from the roots to the leaves is not well understood. Fundamental basic studies of soil-water-plant relations will be necessary to answer some of these questions.

Of perhaps greatest importance to agriculture, is the problem of efficiency of use of water by plants. What are the factors that effect the evaporation of this lifegiving liquid from the surfaces of plant leaves? Can a means be devised to reduce the rate at which moisture must be lost from plants and from soil surfaces? Can a reduction in water use be obtained without at the same time reducing crop growth? In other words, can we reduce the amount of water required to produce a given quantity of food or fiber? We already know that

the water required to produce a pound of dry matter can be greatly decreased by the use of effective cultural and management practices. Even so, the water required to produce a pound or a ton of dry matter seems extravagantly high. Just that evaporated from the leaf surfaces will be several hundred times the weight of dry matter product, even under the most ideal field conditions. Man's control of this process is, up to now, of little consequence.

We should be reminded of the fact that basic research will be needed in order to give answers to some of the questions which have been raised. It will be necessary for the scientist to determine under controlled laboratory and greenhouse conditions the chemical, physical and biological reactions which take place when plants respond to excesses or deficiencies of water. The history of scientific achievements assures us that the curtain of ignorance is pushed back only insofar as we obtain basic scientific knowledge. The practical application of basic findings almost invariably follows. Our utilization of basic atomic energy research to provide nuclear-powered submarines and powerplants make this point very clearly. Without the fundamental research of the nuclear physicists and physical chemists, however, such application would never have occurred.

We have considered some examples of the need for basic research in plant-water relations. Similar studies are required when we deal with the movement of soil-water into and over our soils. These studies can be carried out under relatively controlled conditions in soil and hydrology laboratories but ultimately they must be taken to the field. We must determine the factors which influence the rate of water movement from watersheds in New York State into our streams and rivers. We must learn the relationship between the nature of the soil and the underlying strata and water movement. We must determine more definitely the influence of various kinds of plant cover on the rate at which water leaves the land and shows up as streamflow at lower elevations.

An example of the kind of study that should be made on selected watersheds in New York is that of the so-called Parker branch hydrology research project in western North Carolina. Here research is being carried on cooperatively between the North Carolina State College and the Tennessee Valley Authority. Engineers, soil scientists, agronomists, and economists have teamed up to determine the effect of drastic changes in land use on the hydrology of a small watershed, and on the rate of runoff from the farmers' fields. Of considerable value to us in agriculture, such factors affecting data on stream flow is of similar concern to municipalities and industries downstream.

In addition to the basic, fundamental research, there are a host of problems of a more applied nature which must be answered if we are to make effective and wise use of our water in New York State. At the top of the list I would put the compilation and evaluation of existing weather and stream flow records. In other words, we need to have a basic inventory of our water resources. We need to know much more exactly than we do at the present time, the extent of these resources in various sections of the State. We need to know the probabilities of occurrence of given weather patterns which effect not only the farmer, but all others interested in water. We need to know how these weather patterns affect stream flow and the need for dams and other structures to regulate it.

An evaluation of existing records on water resources would encourage predictive studies of water use for agriculture and other purposes. These studies would be based on data for specific watersheds and would be of tremendous value to municipalities and industries as well as to us who are concerned with agriculture. An important example of such predictive studies would be those concerned with the economics of irrigation in given sections of our great State.

Applied irrigation research is perhaps the best example of research on water resources which would be of direct benefit to agriculture. We need, for given areas in the State, answers to questions such as the following:

In what areas and under what soil and crop conditions does irrigation pay in New York State? How much water is needed under different climatic, soil and crop conditions? Can we predict the amount of water that needs to be applied for irrigation, using our soils and weather data? How do the expected demands for the future for crop quality influence our decisions with respect to irrigation? How important as we look to the future is dependability of crop production, something which irrigation can help assure? Great agricultural industries such as the canners and freezers in New York State need to

know the answers to some of these questions, just as much as do our farmers. In addition to studies relating to the need for irrigation and the mechanics of carrying it out, we have perhaps even more basic problems relating to sources of supply for irrigation water. Questions of water rights have become of paramount importance in this connection. Legislators, State, and local administrators and all their expert advisers are searching for guidelines on which to base long-term water policies. Research can go far in providing the basic information needed by these men in developing such policies. Certainly we all hope that agriculture's needs will be given fair consideration.

Other examples of needed research on some of our applied problems can easily be cited. We are, of course, all very much concerned with the mounting pollution of our streams and rivers and, as we look to the future, can be assured that these problems are going to become more serious rather than less so. The concern of the farmer with this and other water use problems emphasizes the need for studies of "multiple-use" of our water resources. This would involve the application of research data and hydrologic and weather records to the solution of water use problems in various areas of New York State. Agriculture has always been willing to consider the needs of others with respect to water control and have pushed cooperative action in this regard. Projects presently being carried out under public law 566, which involves joint action among farmers and downstream users of water, is a good example of such cooperation.

To summarize briefly then, there are two kinds of research that are badly needed if we are to make effective use of our water resources in this State. First, there is research of a very fundamental nature dealing with the intricate processes by which plants use water. Much of this research would be of regional, national, or even international interest, but would, at the same time, be of vital concern to us in New York State. Secondly, there is a need for applied research and public information which would be applicable primarily to the State of New York. May I emphasize the importance of dissemination of the applied research information to all who are interested in water resources in our great State.

I am sure that you are all aware of the fact that other groups throughout this great country and here in New York State are concerned with water resources. Evidence of this are the attempts being made to determine the extent of our water problems and to plan for means of solving them. Let us consider first the national picture where a rather thorough study has been made of the soil and water research facility needs throughout the country. This study was made at the request of the U.S. Senate and was carried out by agencies of the U.S. Department of Agriculture and the State experiment stations. We at Cornell University cooperated in making this study. In fact it was my privilege to serve as chairman of the northeast regional experiment station committee whose report was used along with those from other sections of the country, in making final recommendations to the U.S. Senate. A report of the soil and water research facilities needs has been made public and is contained in the 1959 U.S. Senate hearings on the Department of Agriculture research budget.

It is interesting to note that this study group has recommended to the U.S. Senate research facilities to carry out some of the very kinds of investigations which we have been discussing this morning. A good example is their request for facilities to carry out fundamental soil-water-plant relations research. A second illustration is their request for funds to initiate watershed hydrology studies in various regions of the country. I mention these simply to emphasize that water is receiving careful attention throughout the country and that scientists and professional people concerned with water are in agreement with the need for the research discussed briefly herein. A number of specific recommendations were made by the U.S. Department of Agriculture study group for the establishment of additional research facilities in various sections of the country. There are several such recommendations which have proven to be of considerable interest to agriculture in the Northeast and to New York in particular. These are:

(1) Additional facilities and support for a completed U.S. Plant, Soil, and Nutrition Laboratory on the Cornell campus.

(2) Facilities and support for a national soil-water-plant relations laboratory.

(3) Funds to carry out watershed hydrology studies in the Northeast.

As recent newspaper articles indicate, there is considerable interest on the part of agricultural and other groups in attempting to encourage the location

of the above facilities in the Northeast and, if possible, in New York State. I understand that efforts are being made to thoroughly acquaint our legislative leaders of the needs for these and other research facilities. There is some assurance that the water research needs of the Northeast region and New York State in particular will be given adequate consideration if all concerned with this problem will unite in their efforts.

I am sure that many of you are much better acquainted than I with the attempts that have been made in recent years to better identify and evaluate our State water problems and to set up means of handling them. The excellent progress made by the temporary commission on irrigation, headed by Senator Van Lare, exemplifies the efforts that have been put forth. The setting up of a joint legislative committee on water resources is evidence of the acute awareness of the leaders of our great State of the problems of water—not only for agriculture, but for all concerned.

I was greatly impressed with discussions at the recent statewide meetings on water resources held at the New York State College of Forestry in Syracuse this past month. It seemed to me that two facts of great concern to all of us were demonstrated at this meeting. First, there seemed to be unanimous opinion concerning the need for additional research on water resources. A common need for some central source of research and other information on water was expressed in several of the sessions which I attended. These meetings also stressed the need for dissemination of research data on water as well as the need for the research itself. The suggestion was made by several of the workshop groups that steps be taken to set up a water resources center in New York State. Personnel at such a center would presumably be responsible for the compilation and analysis of records such as those of weather and streamflow. It is expected that they would supplement rather than duplicate the work of other State and Federal agencies such as the Weather Bureau, the U.S. Geological Survey, and the State department of conservation. Ultimately this center might well serve as a source of basic information on all problems of water use including (1) pollution control, (2) municipal water supplies, (3) industrial use of water, (4) regulation of streamflow and, of course, (5) irrigation. Studies of specific problems involving hydrology, streamflow control, multipurpose use of water, etc., would likely be carried on at such a center. It was visualized that four phases of service to the State might be given: (1) compilation and evaluation of information on water use problems; (2) research on water problems of special concern to New York State; (3) the dissemination of water research, statistical, and other information to the public and government agencies concerned; (4) the education and training of engineers, scientists, economists, and other specialists in the various fields of water resource development and utilization. It is obvious that such a center would be a tremendous force in helping to provide information on which sound water policies could be based. Agriculture and the other segments of our economy would materially benefit from the proposed center.

The second most impressive fact which I obtained from the Syracuse meetings was that there is a growing recognition of the need for multiple-use planning for the utilization and conservation of our water resources. There seemed to be a remarkable willingness of the various interests to consider the needs of others. This represents tremendous progress and should be of special interest to agriculturalists who are concerned with the obtaining of adequate sources of water for irrigation and other purposes.

As concluding statements, I should like to make the following points:

First, interest in water conservation, utilization, and management is probably at an alltime high in the United States. It is quite likely that in the next few decades man will learn more about water and will develop better plans for its use than has been done at any time up to the present.

Second, the northeast region and New York in particular should make every effort to assure themselves that their water use problems are being studied and that prospective solutions are being formulated. Perhaps more than any other section of the country, we may have been guilty in the past of not adequately appreciating our water resources, of not properly evaluating them, and of not having made adequate plans for their use.

Third, although research by itself will not solve all the water problems for New York State, I am firmly convinced that it must serve as the basis for any longtime permanent solution to our water resource problem. We must understand more about water and about means of controlling it.

Fourth, public support has been aroused for research facilities to carry out basic soil-water-plant studies and for a water resources center to serve the people of New York State. Organizations such as yours have taken the responsibility of informing our public servants of the need for these facilities and studies.

I should like to end this talk by repeating the quotation which was used in the opening paragraphs "You could write the story of man's growth in terms of his epic concern with water." Let us be certain that New York State's chapter in the history of mankind is not blurred with the blotches of ignorance or indifference toward the water needs of our people.

Mr. OSTERTAG. May I add, Mr. Chairman, that in all probability the only way that this objective can be achieved is through the means of Congress.

I would guess that if we wait for this thing to develop through other means that it will be lost in the shuffle.

Mr. WHITTEN. We sometimes feel the same way.

Mr. Stratton, do you have anything to add to the presentation which has been made?

STATEMENT OF REPRESENTATIVE SAMUEL S. STRATTON

Mr. STRATTON. Thank you, Mr. Chairman.

I am glad to join with my colleagues of the New York State delegation in support of this project.

As Mr. Ostertag has already said, this is a joint operation in which all 43 members have joined regardless of party and regardless of whether we represent the upstate area, as I do, or the downstate area of the city of New York. I think that this is in itself somewhat indicative of the importance that we attach to it and the fact that the delegation has joined together in this regard.

I do not want to repeat what has been said so well by the other members of the delegation who are more intimately familiar with many of these problems than I am, but I would simply like to underline two points from my particular point of view. One is that I represent one of the major farm areas in the State, and I know from my experience with my constituents that the problem of watershed and the problem of soil conservation and of getting the proper drainage is a very vital problem and one in which they are all interested.

I also happen to represent several large municipalities, including the city of Schnectady, which I had the honor to be mayor of for several years.

I know that the entire problem of water is becoming a serious problem in our area as well.

In the past we have taken the view that water was something that we had plenty of and we did not have to worry about it, and that it was only a serious problem in the West and the Southwest. But we are now finding out that even the cities in the East are faced with real problems of water resources and this is certainly going to increase rather than decrease. I therefore am happy to join in this request and particularly to emphasize the importance of our State and our area for the location of this project. After all, Mr. Chairman, New York State in itself represents nearly one-tenth of the population of the entire country, and certainly it makes sense to me that this population which has such a vital interest in its water supply should have in the vicinity one of these vital research facilities. Incidentally,

having had some experience with Cornell, I know that they are well equipped already in this field, and I am sure that there is, as has already been indicated, widespread support for locating such a facility at Cornell in our State.

I would like to urge the favorable approval of the committee of this request.

Mr. WHITTEN. We certainly thank you. May I say again that I have been one of those who has always felt that there is a close interdependence between industry, labor, and agriculture, and that if one goes down, the other two are likely to fall. It may be a matter of time, but whatever we may do, what is essential is taking care of our own country, which comes first with me. We may argue among ourselves as to how best to do it, but I think we all will agree that our natural resources and the proper use of land is the very best program to which we must look for the future.

I am proud to say for the record that the New York City representative on this committee, Mr. Santangelo, has clearly indicated throughout the hearing this year, and throughout the years he has been on this committee, that he has a full awareness that those in the city are interested in not only upstate New York and the balance of New York State, but that the consumers do have a real interest in the country as a whole.

I want to say further for the record that the Department of Agriculture is spending large amounts of money in various soil conservation programs. It strikes me that it is essential that we have research so as to spend that money wisely. We on this subcommittee have not been able to find the money each year to have as much of this research in as many regions of this country as is probably needed. We have attempted each year, however, to find places where we could cut the overall budget so that we in turn could gradually meet this problem.

I think you have made a good case and, again, your colleague from New York called this to my attention and, doubtless, to the attention of other members of the subcommittee.

Mr. SANTANGELO. Could I add one other word?

Mr. WHITTEN. Surely.

Mr. SANTANGELO. The slight investment for the research laboratory to expand the facilities and to protect the arable land of our State of New York would reap tremendous returns, much more than the expenditure would be.

Of the $15.5 billion which the State of New York contributes to the total income of the United States, over 40 percent comes from the farm areas of the State of New York, which would amount to about $6.2 billion. In protecting the land and the soil of the State of New York, we will protect the income and earning capacity of the farmers in this area and of our State, and the Federal Government in return will collect because of this slight investment much more in income taxes than it would spend in granting to the State of New York this research center with all of its concomitant benefits, and I felt that in terms of dollars and cents we could more than justify that expenditure.

Mr. OSTERTAG. The soil and water research facility or laboratory proposed here would not be beneficial to New York alone. It would have nationwide application and effect insofar as the soil, water, and plant studies and also plant, soil, and nutrition studies are concerned.

So it is not entirely a provincial proposal that we are presenting here and it does have far-reaching value and effect.

Mr. WHITTEN. Are there any further questions or comments by members of the subcommittee?

Gentlemen, we wish to thank you. We shall give your statements serious consideration.

TUESDAY, MARCH 22, 1960.

PLANT INSPECTION AT PORTS OF ENTRY

WITNESS

RICHARD P. WHITE, EXECUTIVE VICE PRESIDENT, AMERICAN ASSOCIATION OF NURSERYMEN, INC.

Mr. WHITTEN. We are glad to have with us today Mr. Richard P. White. Have you a prepared statement?

Mr. WHITE. I have one, Mr. Chairman. I have copies for all of you here, if you wish them. I shall not read this because since I was up here last week I have come to realize that there was a group here on the very same thing Friday afternoon, with which I asked to appear but I could not. This is in regard to the Inspection Service of the United States Department of Agriculture at ports of entry.

(Mr. White's statement follows:)

STATEMENT OF RICHARD P. WHITE, EXECUTIVE VICE PRESIDENT, AMERICAN ASSOCIATION OF NURSERYMEN, INC.

Mr. Chairman and members of the committee, I wish to speak briefly concerning what we believe to be inadequate protection of the resources of this country against the introduction of plant pests. This is a continuous and growing problem, as I am sure you realize. I understand that a group of individuals appeared before you on last Friday afternoon on this same subject. I was asked to appear with this group, but due to other commitments, could not do so. I have not seen their statements.

Agriculture, horticulture, and forestry depend on the services of the Agricultural Research Service, Plant Quarantine Branch, for protection from introduced foreign plant pests, which do not now exist in this country or are limited in geographical distribution. Horticultural inspectors are maintained at various ports of entry. It is through such ports of entry that plants and plant commodities which might be a hazard to our own resources must enter.

This last year this branch of the agricultural Research Service has been called up on to extend their facilities to such a point that we are very much concerned as to the possibility that some of these foreign plant disease organisms or insect pests may secure a foothold in the United States. We are also likewise concerned as to the very great possibility that some of the pests that we have already spent millions of dollars on and have effected an eradication of, may again gain entry and cause untold damage and expense. This committee has been very realistic on these programs. A case in point is the Mediterranean fruitfly in the citrus area in the State of Florida for which you have authorized substantial funds resulting in eradication. At the present time, I believe we are taking more than a calculated risk. We are presenting an open invitation to these foreign plant pests. I would like to compare our borders to a great rubberband. You can stretch a rubberband just so far before it breaks.

The additional ports of entry that must be served as a result of the opening of the St. Lawrence Seaway this past year, have stretched this rubberband another 2,000 miles; Buffalo, Cleveland, Detroit, Chicago, Duluth, and other cities located along the St. Lawrence Seaway now become ports of entry.

In an effort to serve these ports of entry adequately, the U.S. Department of Agriculture will have to steal inspectors from the old established ports along the seacoast, in order to supply a minimum amount of protection at these inland waterway ports. We should have a maximum amount of protection, although I doubt if this will ever be reached. I shudder to think of what would happen and the expense involved, if the khapra beetle and numerous pests of nursery stock should gain entry into the Central Plains area of the United States. This land area, today the breadbasket of the world and a very important producing area for tremendous quantities of nursery stock used for all purposes, including soil erosion, reforestation, safety and functional purposes along our interstate highways, etc. These pests are no respecters of property rights, and they will infest or infect reforestation seedlings and soil erosion plants being grown in Federal and State nurseries, as well as they will in commercial nurseries.

A second major problem is the intercontinental aspect of our airplane travel. Airplanes may land now at any major airport in the United States at any time of day or night, nonstop from most any other major airport of Europe. These major inland airports also now become possible ports of entry that must be served by inspection forces.

This traffic is constantly increasing, and it is not going to become any less. It takes a few to several years for a new pest to build up to such proportions that it may be detected. By that time, the Government and the States find themselves involved in expensive eradication programs, as well as control programs, and the producers of crops are confronted with added expenses of control and suppression. This increase in international traffic in commodities extends to passenger traffic as well, with the ever-potential danger of the introduction of pests on contraband material in baggage. Fortunately, the cooperation between customs and agriculture is very fine, but nonetheless, again referring to my rubberband, both agencies can stretch themselves too far.

In looking back over a long period of years, it seems to me that the agricultural and forestry industries, the Department of Agriculture, and if I may say so without being disrespectful in any way, this committee and the Congress have looked upon this problem too much on a year-to-year basis to meet budgetary or other immediate situations. None of us, I believe, have perhaps taken a sufficiently long-range look at this problem, which is in my way of thinking, a most serious one.

I believe we have two choices: On one hand very expensive programs of eradication after a pest has arrived and has become established in this country; expensive control and quarantine programs, which can only be efficiently administered and with reasonable chance of success when they are backed up with extensive research, extensive regulatory and quarantine procedures, and, finally, with a disruption of the normal interstate movement of the products of agriculture, horticulture, and forestry; or on the other hand, the lesser costs of providing adequate protection to meet anticipated situations as they develop from year to year. This takes advance planning, extension of protective measures, and the providing of personnel as needed. Certainly advanced planning to meet emergencies and the projection of our thinking into the future seems to me to be highly desirable. This might be accomplished without great expense, providing this committee could have the staff available to really sit down and study the overall problem with representatives of various agricultural, horticultural, and forestry groups, officials of the Department of Agriculture that would be concerned, with representatives of various public agencies that are likewise concerned, even though they may not realize it. This group of staff people should also closely cooperate, of course, with the staff of the Agricultural Committee of the House throughout its study.

For the immediate future, however, I believe the following considerations might be helpful:

1. Cooperation with Canadian authorities in determining arrival of ships and their cargo. I understand this has already been worked out up to a degree, and that excellent cooperation between our two countries is now provided for.

2. Further consideration as to what additional responsibilities might be placed on the carriers in order to facilitate the movement of inspection personnel, since it must be transferred apparently for this year, in order to take care of this emergency situation during the rest of fiscal 1960. At least they could be required possibly to give notification of expected arrival date, ports of entry, manifest of cargo in general, and the country of origin of the material that might be subject to infestation. I do not know whether we have the legal right to place

such responsibilities on the carriers. However, there is a limit to the responsibilities that they can carry or can be forced to take. It still is our Government's responsibility to protect our agricultural, horticultural, and forestry resources.

3. Working out additional Federal-State relationships and responsibilities, if possible. Certainly the full cooperation between the Federal Government and the State governments is needed and has always been attained even though there are differences and sometimes very insolvable ones between viewpoints and attitudes of the two governmental areas.

In closing, might I leave this word with you: (1) This is a serious problem, in our judgment; (2) it should not be considered on a year-by-year basis, but on a long-range consideration by this committee and also the Committee on Agriculture; (3) that long-range planning is necessary to meet some anticipated needs:

(*a*) Increase in traffic, both passenger and freight;

(*b*) Increase probability and more nonstop airplane flights, intercontinental, to most any major airport in the United States, creating additional inland ports of entry;

(*c*) Increased costs of inspection service and eradication and control procedures;

(*d*) The urgent need for adequate recruiting and training of personnel to man these ports of entry; and, finally,

(*e*) The loss of our basic resources in agriculture, horticulture, and forestry, if additional pests should become established in this country.

Mr. Chairman and members of the committee, I wish to thank you for whatever consideration you may give to these remarks.

Mr. WHITE. I think a group was in here Friday afternoon on this matter of the protection of our agricultural resources from foreign plant pests. Consequently, I do not wish to review anything they may have said. I have not seen their statements or testimony.

I would say that as an industry, nursery production, we are very much concerned and are becoming more so with regard to the expansion of responsibility, as the chairman just brought up, and where we are going. I think the agricultural resources, as you know better than I do, need protection from foreign pests. With the opening of the St. Lawrence Seaway we are even more concerned about this problem. We have added about 2,000 miles to our coastline, and such inland cities as Buffalo, Cleveland, Detroit, Chicago, Duluth, and the rest of them, now become or may become ports of entry. We have a very large nursery industry in the Middle West. It is known, of course, as the breadbasket of the world because of its production of grains, but we also have a very heavy investment in the nursery business out there—in Minnesota, Iowa, Missouri, Illinois, and Ohio, which I think is the fifth ranking State in the Union. Our members in those States, particularly along the Great Lakes, are very much concerned and members in certain other States which have heavy investments are now also becoming concerned about this nonstop airplane travel from Europe. When they are forced to overfly, they may land at any of our inland cities with a major airport. As I look at it, they also now become ports of entry.

Now it is Europe, and 5 or 10 years from now it may be Asia nonstop. They are becoming concerned about the inadequacy of the Department to give the protection which they would like to have for their own protection of our own resources.

I should like to compare our borders with a rubberband. You can stretch it so far and then it will break. I think we are coming close to the breaking point, Mr. Chairman.

I do not know how much is in the budget. I have not taken the time to inquire. I did want to bring you this thought: I think all

of us perhaps have been looking at this problem with not enough long-range foresight, as Mr. Whitten brought up. I think there are certain things which can be done and which we may be able to do in the future that we are not doing now. I am sure you will agree with me that the expansion of this international trade, freight and express cargo, and the expansion of our passenger traffic, possibly with contraband in their baggage, will not grow less. If my first premise is true, that these Great Lakes ports and other inland ports are becoming ports of entry for plant material which may carry plant pests, we have a problem on our hands which will grow, as Mr. Whitten has already indicated. What are we going to do about it?

In the first place, without being disrespectful at all to the members of this committee or to the Congress, I think we have looked at it perhaps too much on a year-to-year basis within the confines of our budgetary situation and within the confines of what we can do to give the maximum protection we possibly can at the moment.

I would like to suggest, Mr. Chairman, that perhaps we should look at it with a long-range viewpoint to see where we are going.

In the first place, the relationships between Customs and the Agriculture people at these ports have been very fine. I have known them personally. I have been to many of these ports and I know they give fine cooperation. There is also a good cooperative attitude at the inland ports around the lakes with the Federal Government. They are now confronted with what New York City and some of the other seaports have been confronted with. We can get cooperation, and I think we can get further cooperation, probably, from the carriers.

I believe, however, that we must sit down—I include the staff of this committee and the staff of the Committee on Agriculture and various industry groups such as ours—and project our thinking forward for a period of years. Unless the program is planned in advance, I think we shall fall down eventually. As Mr. Whitten says, this problem will pyramid, and we cannot afford to let that happen.

I have three or four specific recommendations contained in my formal statement which I should like to review with you briefly.

You now understand, I think, that this is a serious problem which should be given long-range consideration and long-range planning to meet some of these anticipated needs that we can see now.

No. 1, this international and intercontinental traffic, passenger and freight, will be on the increase.

No. 2, there is increased probability that we shall have more and more inland airports which can send long-range jet flights from Europe and maybe later on from Asia.

We must anticipate increased costs of the service, whatever it may be, that we can provide.

I think there is an urgent need right now for the recruiting and training of personnel to man these ports of entry. This year I understand from the Department of Agriculture they are going to steal inspectors from the coastal ports and put them at these inland ports along the Great Lakes as the demand may require.

I hate to see this robbing Peter to pay Paul, but we have to do it. I do not know what is in the budget next year for that, either, if anything, but at least there is a serious problem there.

Then I think fundamentally we must look to the fact that we are protecting our basic resources—agriculture, horticulture, forestry, fruit, and all the rest of it.

I would suggest that the way to go at this now would be if this committee could establish a staff or somebody on the staff to sit down with somebody on the staff of Mr. Cooley's committee, to sit down with somebody from our industry and the great grain industry of the Middle West, and the fruit industry, and have 2 or 3 days of sessions, if necessary, to look forward further than we have been.

That is my entire statement, Mr. Chairman. I am not asking for money. I am not asking for a reduction. I know you have given this thought, but this year it has really become, in my judgment, one of the foremost considerations that this committee, Mr. Cooley's committee, and the Congress must be considering seriously.

Mr. MARSHALL. We thank you, Mr. White, for your suggestion. We want you to know that we always appreciate your coming before this committee.

You have always been very considerate of this committee, and the committee will be disappointed that you will not be before us again. We hope in your retirement you will not forget us. You can take an interest in the arboretum, if nothing else.

Mr. WHITE. I would be expected to continue in my advisory capacity to that group, I suppose.

Mr. HORAN. I want to say for Dr. White's information that we have given a great deal of attention to this problem. There is an item in the budget, an increase of $504,000, mostly for stepping up the work which you have mentioned. There is some question whether that is adequate. In addition to that, there are some other questions to be worked out.

I was a little bit disappointed to find that the Canadians are not looking at this quite the same as we are.

Mr. WHITE. That is one point on which I comment in my statement.

Mr. HORAN. That needs to be ironed out in a meeting of the State Departments, because there is not much point to our fighting the pests if they do not.

Mr. WHITE. Absolutely not. I agree with you, Mr. Horan.

Mr. HORAN. We have had a breakdown in our cooperation with Canada on blister rust, you know.

Mr. WHITE. I know that, too.

Mr. HORAN. I think they at least recognize the problem.

Mr. WHITE. We have had a breakdown with our friends to the north, Mr. Horan, on other matters, too, similar to this problem. I am very glad to hear that there is an increase for this item. I had not been advised of that. I am certain it can be well used. I appreciate very much your bringing that out. Thank you, gentlemen.

Mr. MARSHALL. Thank you.

TUESDAY, MARCH 22, 1960.

FEDERAL MEAT INSPECTION

WITNESSES

JOHN A. KILLICK, EXECUTIVE SECRETARY, THE NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION
EDWIN H. PEWETT, WEAVER & GLASSIE, WASHINGTON, D.C., GENERAL COUNSEL, THE NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION

Mr. MARSHALL. At this time we shall be very glad to hear from Mr. Killick of the National Independent Meat Packers.

Have you a statement you wish to present? You may proceed in any way you wish.

Mr. KILLICK. Mr. Chairman and gentlemen of the committee, my name is John A. Killick. I am executive secretary of the National Independent Meat Packers Association, the offices of which are located at 740 11th Street NW., Washington, D.C.

Incidentally, I am accompanied here today by the association's general counsel, Mr. Edwin H. Pewett, of the law firm of Weaver & Glassie here in Washington, D.C.

I am appearing here today in support of the 1961 budget request of the Department of Agriculture for Federal meat inspection. Our association is grateful for the opportunity which you have given us to appear before you on the subject of this budget request and, mindful of the fact that your committee is a very busy one and that its time is very valuable, I will confine myself to a very brief statement.

Our association represents some 400 independent meatpacking plants and approximately 200 associated firms in all parts of the United States. However, only approximately one-fourth of our members operate federally inspected plants.

Here I would like to interpolate that even though this small percentage of our membership is federally inspected, our association is strongly in favor of Federal meat inspection. In other words, we are not arguing for or against Federal inspection. We are of a mind that the philosophy behind Federal inspection is sound and is applicable to the entire industry.

Nevertheless, our members consider the matter of adequate Federal meat inspection appropriations to be of utmost importance not only to the industry of which they are a part but to the entire consuming public. We are firmly convinced that a failure to provide adequate Federal meat inspection appropriations would have very disastrous effects on the national economy.

The 1961 budget request for meat inspection is in the amount of $21,562,700. This is somewhat greater than the amount appropriated for the current fiscal year, namely, $21,324,900. Actually, however, the increase requested would, we understand, be expended entirely in connection with in-grade promotions of personnel and to carry out provisions of a Government employees' insurance program which the Congress approved last year. Thus, there would be no actual increase in the funds available for conducting meat inspection services.

We understand that representatives of the Department of Agriculture have already appeared before you and testified regarding the ever-increasing demands for meat inspection services. We understand that the Meat Inspection Division expects to be called upon during fiscal 1961 to furnish inspection services to approximately 30 more plants than the 1,365 plants now receiving these services. Certainly the appropriation sought, in the circumstances, is not excessive if indeed sufficient for this very indispensable work.

During the past year the Members of the Congress and their constituents throughout the United States have had occasion to read and hear much on the subject of the importance of protecting our national food supply. Certainly no one can deny that the task of assuring the wholesomeness of the food consumed by this Nation is of extreme importance to every citizen. The members of our industry are directly concerned with this important duty, constantly strive to assure adequate and wholesome supplies of their products and take pride in these products.

For over 50 years, meats and meat food products moving in interstate commerce have been subjected to the continuous, careful, and thorough examination by inspectors of the Federal meat inspection service. These inspectors carefully examine every animal, both before and after slaughter, that goes through a federally inspected plant. The Meat Inspection Division during all these years has devoted equally exhaustive attention to all food additives used in the products of these federally inspected plants. Indeed, no food additive may be used in these products without first receiving the approval of the Meat Inspection Division and this has been the case throughout the long and distinguished history of this very competent organization ably headed today by Dr. A. R. Miller.

We are not unaware of the pressures being exerted today in an effort to hold Federal expenditures to a minimum and we are wholly in accord with this objective. Nevertheless, it is our reasoned judgment that any attempt to apply economy on the barely sufficient appropriation now sought by the Federal Meat Inspection Service would be false economy and tend to defeat the vital national purpose which it is designed to serve. We respectfully urge the members of the committee to recommend appropriation of the full amount of $21,562,700 requested by the Meat Inspection Division for fiscal 1961. We again wish to thank you for this opportunity to appear before you and present our views.

Mr. MARSHALL. We thank you, to, Mr. Killick.

Mr. HORAN. I will ask my standard question. In view of the fact that appropriation for the inspection of all edible meats has risen from about $10 million when I first went on this subcommittee to approximately $33 million a year now, do you think that any existing public health or inspection services in any given State should be checked into and certified and used in the interest of saving money, if possible?

Mr. KILLICK. This is a very ticklish and controversial question.

Mr. HORAN. I do not know whether you have any plants in California. California has had for some time a mandatory intrastate meat inspection service.

Mr. KILLICK. I know the bill.

Mr. HORAN. I too introduced it although one of my colleagues from California was the author of it. I was attracted to this bill because I have seen these appropriations rise so much through the years. At one time we had a little difficulty because we tried to have the industry pay for all the meat inspection. You may recall that.

Mr. KILLICK. With tears.

Mr. HORAN. Yes. But obviously it interested me. I can see no reason why there should not be Federal-State cooperation.

Mr. KILLICK. I think, sir, there are several States right now that could very well understake an inspection which would be equivalent to Federal inspection. California is one. I think Michigan has an excellent inspection. I think Pennsylvania has. There may be others. But there are many States which do not have.

Mr. HORAN. Many States do not have any.

Mr. KILLICK. Either have none or so inadequate inspection that to bring them up to the level will require a great deal of money either from the States or from the Federal Government. I will mention no names, but I know there are States now where the inspection amounts to nothing. To bring those States organizations up to the level of competency of the Federal system, somebody will have to foot the bill.

Mr. KILLICK. On the question of State inspection, we are in favor of strong State inspection services. We think there should be more of them and better ones than we now have in many States. That is why I emphasize that only one-fourth of our membership receives Federal inspection service.

Mr. HORAN. Certainly they are served by some sort of inspection service.

Mr. KILLICK. They are served by some sort, but in many States only very casual inspection. I know the State of Pennsylvania has a very effective and strong State inspection. In fact, it is even stronger than the Federal system.

Mr. HORAN. I gather that California, because of the nature of so much of her interstate commerce in food meats, must have had a capable inspection service.

Mr. KILLICK. Absolutely. There is no question about that.

Mr. HORAN. I was just trying to see if we could not save some money.

Mr. KILLICK. Right now, for example, in New York State there is an attempt to get a statewide inspection service. There is a controversy whether it should be under public health or under agriculture. Then you get into the situation where you have a very effective city inspection in New York City.

Mr. MARSHALL. We thank you.

Mr. KILLICK. I certainly appreciate your hearing me, gentlemen. Thank you.

WITNESSES

C. T. SANDERS, EXECUTIVE SECRETARY AND COUNSEL, NATIONAL ASSOCIATION OF LIVESTOCK AUCTION MARKETS
INGARD SVARRE, SIDNEY, MONT.
J. W. MARVEL, WEBSTER CITY, IOWA

Mr. MARSHALL. At this time we will be very pleased to hear from Mr. C. T. Sanders, Livestock Market Council and National Livestock Dealers Association.

You have a statement you have for the committee?

Mr. SANDERS. Yes.

I would like to proceed first with the statement in behalf of the National Association of Livestock Auction Markets, Mr. Chairman.

The gentlemen with me are Mr. Ingard Svarre, from Sidney, Mont., and Mr. J. W. Marvel, from Webster City, Iowa, members of the Livestock Market Council and Livestock Auction Market owners.

Mr. Chairman and members of the subcommittee, the National Association of Livestock Auction Markets is the national business trade association of the livestock auction markets industry, which industry is composed of approximately 2,300 independent public livestock markets in all of the 48 continental United States.

My name is C. T. "Tad" Sanders. I am executive secretary and counsel of the national association. Offices of the association are in Kansas City, Mo. That is my residence. I appear here in my administrative and representative capacity for such association and industry.

Our industry is subject to the jurisdiction of the Packers and Stockyards Act which is administered by the Secretary of Agriculture.

Our sincere interests are that such act be administered as a regulatory law, which it is, and that it be done uniformly with due respect and understanding of the segments of industry within its jurisdiction.

The national association is purely voluntary in nature. It is composed of 37 affiliated State trade associations of auction markets. Along with such affiliated structure are independent livestock auction market business concerns which subscribe to the purposes and objectives of the association and qualify as nationally certified markets through adherence to the industry adopted code of business standards in their operations and services.

Each such market operates at a fixed place of business in stockyard facilities for the proper care and handling of livestock; each market as conducted consists of rendering stockyard and selling services in respect to livestock consigned to the market for sale. These markets are generally conducted under one management as to all services performed and gain their name and designation by the method adopted in performing selling services by auction. Actual selling of livestock takes place from 1 to 5 days per week, depending on the size and volume of the market.

The livestock auction markets industry, as indicated by the number of public markets, is the decentralized part of the public markets in business, with some 50-odd markets commonly known as terminal markets denoting the centralized part of the industry. These latter markets generally consist of a stockyard company that owns the facilities, multiple commission firms that sell and buy on commission, and dealers.

Our association has taken steps to so organize its structure and functions as to assume proper public responsibility for high standards of productive services in livestock market operations, while at the same time pursuing those courses that advance and promote the industry in the forefront in merchandising livestock.

With the indulgence of the subcommittee, I should like to make available copies of a concise facts pamphlet about the association. It will serve to explain the background and basis from which this statement is made in respect to current appropriations under consideration for proper administration of the Packers and Stockyards Act.

Under the amendment of the Packers and Stockyards Act by Congress in September 1958, the scope of that act was extended and it was made applicable to all livestock marketing transactions in commerce. This includes the 2,300 livestock auction markets, the terminal markets, livestock dealers estimated to exceed 20,000 in number, and the meatpacking industry. The act itself is a Federal law to insure a reasonable degree of financial responsibility and complete integrity in livestock marketing transactions. It constitutes a business fair trade practices law in respect to all livestock marketing transactions in commerce, with jurisdiction exercised through various types of registrations, such as those of market agencies, dealers and packer buyers, as well as the posting of stockyards and general authority over packers.

Last year, at about this time, our association appeared before this subcommittee in respect to 1959–60 fiscal year appropriations for administration of the act. We supported an increase in funds, because of the increased scope of jurisdiction and responsibilities of the Secretary of Agriculture due to the 1958 amendment. Congress appropriated an additional $311,662 over the previous fiscal year, for a total of $1,387,400.

Likewise, last year, we pointed out why we felt that the facts and circumstances called for action by the Secretary to delegate the responsibility for the administration of the act to a separate division within the Department. On April 17, 1959, we were advised by letter from the Secretary of his decision that—

> the organization and responsibility for administering the Packers and Stockyards Act should remain in the Livestock Division of the Agricultural Marketing Service.

The Secretary concluded by stating:

> Because of my own deep interest in the packers and stockyards work, I have asked Assistant Secretary Clarence L. Miller to follow this activity closely and provide such policy guidance as may be needed in achieving the desired operating objectives under the act.

Within a month after the amendment of the act in September 1958, our association inaugurated a series of conferences with officials of the Livestock Division and General Counsel's office of the Department, seeking to accomplish two things:

1. Uniform application and administration of the act, and its implementation through posting of all public markets, registration of market agencies and dealers.

2. Clarification of applicable provisions of the act, and regulations promulgated under it, in respect to our industry and related livestock marketing transactions.

These conferences did serve to simplify and streamline the procedure followed in "posting" stockyards as the act requires. Also, as a result of these conferences, our association issued a "Guide for Livestock Auction Market Operations Under the Packers and Stockyards Act, 1921, as Amended," which the Department declares by letter to be in harmony with the provisions of the act. I submitted copies to the subcommittee last March.

With exerted effort by our association and its full and sincere cooperation, substantial progress was realized in implementing and administering the act before the close of the fiscal year on June 30, 1959. Without additional funds the Department stated that 932 additional stockyards had been posted by such date, making a total of 1,528 stockyards (or markets) posted under the provisions of the act. As of this date, this aspect of implementation of the act has been largely completed, with the markets properly registered and bonded. The exact figures are not available to me at this time.

On November 2 and 3, 1959, a further trade practices conference was conducted with the Livestock Division, and another is now in progress this week.

The hopes which I expressed to the subcommittee last year, that the "Guide" referred to would serve the purposes as stated in it and become the basis of USDA-industry mutual understanding, have, frankly, not materialized. Neither has the industry's full cooperation in effecting implementation of the act served to establish with the Department our sincerity of purpose. Somewhat the opposite seems to be true.

It is our understanding that this fiscal year the U.S. Department of Agriculture seeks an additional $216,450, for a total amount of $1,613,550, for administration of the Packers and Stockyards Act. The amount appropriated in fiscal year 1959 was $1,085,438. Thus, the Department now seeks for fiscal 1961 nearly a 50-percent increase over funds available prior to amendment of the act, or a total increase of $528,112 from fiscal 1959.

On the basis of our honest appraisal of the Department's administration of the act in the past 12 months, we cannot endorse and support the current request for additional funds as being justified. We do not feel that the additional $311,662 appropriated in this current fiscal year has so far been expended in keeping with the effective and efficient administration of the act according to the intents and purposes set forth in that act by Congress.

As the alternative to a continuing request for additional funds by the Department for the administration of the act from year to year, we urge, as we have previously urged, a new basis and concept by the Department as to its responsibilities in such respect. That concept is based, first, on a realization of the present scope of the act as uniformly applicable in livestock marketing transactions and that all those segments of the industry to which it applies are expected to

know the requirements of the act itself and to comply with them. The Department's record in administration of the act, going back many years, has been one of person-to-person administration and interpretation, coupled with an apparent reluctance to exercise other than limited jurisdiction within what Congress has directed. That has resulted in lack of understanding and dissatisfaction in our industry.

Second, such concept should be evidenced by a reliance upon the industries, over which jurisdiction is directed to be exercised by the act, to assume a reasonable degree of responsibility and to exercise the greatest amount of self-regulation, especially in trade practice matters.

On January 26, 1960, our association directed a letter to Mr. David M. Pettus, director, Livestock Division, AMS, following a personal conference with him, in which we urged, on the basis of our own national code of business standards and organizational structure, that "under the trade practices conference procedure developed, we would like to reach agreement with the Livestock Division on the exercise of our powers of self-regulation within the framework of the Packers and Stockyards Act," and that it be so done as to in no way detract from, or exercise, those powers delegated to the Secretary under this act. In effect, we seek a two-way street in the field of cooperation between our industry and Government. In the matter of trade practices regulation in respect to livestock marketing, we firmly believe the responsible member of industry can effectively exercise a large degree of self-regulation if the governing body involved will repose its confidence in it.

No reply has yet been received from Mr. Pettus to the letter I refer to, although in fairness to him and his Division, the current trade practices conference is now in progress.

Certain specific matters have transpired in respect to administration of the act which give our industry little or no basis of encouragement up to the present time that such alternative as I have briefly outlined is to be given any consideration by the Department. A few such examples we feel worthy of this subcommittee's consideration in reaching your determination on the merits of the budget request under consideration are as follows:

1. Despite the establishment of the trade practices conference procedure I have referred to, the Livestock Division continues to issue directives to its field personnel on an administratively confidential basis dealing with such matters as registrations procedure for market agencies selling on commission, and owners and employees thereof registering as dealers, without discussing such matters with the industry affected. In one particular instance, the Division states a proposed change is contemplated in the regulations to make them consistent with the instructions being given. The trade practices procedure was mutually agreed to be for the purpose of reaching a basis of understanding in trade practice matters between our industry and the Department.

2. One particular area of the country has been singled out for a so-called efficiency study of the markets in that area. Such study has progressed at considerable expense in time, travel, and personnel, contrary to its stated purpose, in that markets in the area are now being directed to change their basis of charges and tariffs before the results of such study are complete and without an opportunity for the markets in such area to present their facts.

3. There appeared in the January 20 issue of the Federal Register this year a directive over the signature of Oris V. Wells, Administrator of the Agricultural Marketing Service, entitled "Organization, Functions, and Delegations of Authority" of the AMS which, in respect to the Livestock Division, clearly categorizes it as a commodity division charged with the direction and supervision of marketing services inclusive of the related programs for livestock, meat, meat products, wool, mohair, and related commodities as authorized by the Packers and Stockyards Act, 1921, as amended and other acts. The primary functions are classified as programs, which we feel to be an improper basis for administration of a regulatory law.

4. In conjunction with the recent controversy over lamb grading, the Secretary himself recently announced to the press that the Department is engaged in the process of a study of lamb marketing in which pricing practices with relation to various grades is being investigated. This may or may not be within its scope. In any event, again extensive time of the Livestock Division's Packers and Stockyards Branch has been devoted in recent months to examination of witnesses, hearings, and so forth, bearing little relation to the act.

5. Broad and sweeping proposals as to their effect, in new regulations without first having completed implementation of the act through registrations and the like, and without practical understanding of the effects of those proposals on established, respected, and responsible business enterprise in livestock marketing, are now in the process of being promulgated by the Livestock Division.

We feel that it is essential in the public's interest that the U.S. Department of Agriculture revise its policies in respect to administration of the Packers and Stockyards Act; that it be administered on an industrywide basis in respect to those industries under the jurisdiction of the act as a regulatory measure rather than a marketing services program; and that the Department place its reliance upon those industries willing to assume the responsibilities of self-regulation in trade practice matters. This latter includes the livestock auction markets industry.

The time this subcommittee has afforded our association and the courtesy extended to us are sincerely appreciated. We do not feel the Department of Agriculture on its record has justified the appropriation of funds requested for administration of the Packers and Stockyards Act, nor do we feel that their policies followed in such respect are in the public's interest in keeping with the stated purposes of the act itself. Those purposes as embodied in the law our association wholly subscribes to as applicable to our industry.

We rest our confidence in this subcommittee, and in the committee as a whole, to insure through funds appropriated that the act is administered effectively and efficiently, in keeping with the provisions of the act itself.

If I may add several brief remarks.

We realize it would be impossible for any committee of Congress to assume the administration of a regulatory law that you passed, but we feel that in this instance the Secretary has wandered so far astray from the regulatory approach in his procedures that it has become unjustly costly when he could at no expense rely on our industry for the trade practice matters within our industry under the act.

Mr. MARSHALL. We thank you for your statement.

been their failure to consult with you before they have issued some regulations. Is that one of the problems causing you concern?

Mr. SANDERS. Yes. We have inaugurated our trade practice conference procedure. There is considerable sentiment within the Livestock Division and on up the line that that is to their disadvantage.

Judging from what you have said, one of your great problems has It detracts from their prerogatives. They cannot supervise, as they put it, in the terms they would like to. Supervision to you may mean one thing and to them it may mean something else.

Mr. MARSHALL. You are meeting with Department people now going over some of these things you are discussing with the committee?

Mr. SANDERS. Yes, sir.

Mr. MARSHALL. Up to this time how many of these things have you been able to reconcile? Are you reaching agreement anywhere?

Mr. SANDERS. We thought we had a major portion of them reconciled a year ago through the guide I submitted last year. Since that time it has been utterly ignored for practical purposes.

Mr. MARSHALL. I understood that from your statement, but you are now coming in and meeting again. No doubt you are calling attention to the fact that these things you had previously agreed to have been ignored.

Mr. SANDERS. That is right.

Mr. MARSHALL. I wondered if at this stage you had reached any settlement on any of these differences with them?

Mr. SANDERS. I am sorry to say, Mr. Chairman, that we have not. They have been discussed over the period of yesterday and today, just prior to my coming here, by 20 men from our industry from all over the United States with 10 men or so from the livestock division, including Clarence Miller.

We cannot say, in all honesty, that there has been any indication on the part of the Livestock Division or the AMS in practical terms to show that they are willing to accept any reliance upon our industry or the things to which they attached their signature in trade practice matters. The reverse seems to be true.

Mr. SANTANGELO. Did you complain to Mr. Miller or to anyone in the Department of Agriculture regarding their issuing regulations without conferring with the industry?

Mr. SANDERS. We did not relate that to him. He joined the conference yesterday. We talked to him in terms of policy level, the advantages of industry self-government and reliance upon us, trying to convey to him it might come on down to the Department in the way of advantages, and in that way correct such approaches as I mentioned.

Mr. SANTANGELO. You did not specifically complain about it?

Mr. SANDERS. That is right.

Mr. SANTANGELO. Can you tell us what explanation they have for justifying the disregard of the industry's attitudes before making their regulations?

Mr. SANDERS. That they are far better able to observe the industry in relation to other industries under the act, and they wish to retain the prerogatives of fixing the situation rather than something industry can do.

Mr. HORAN. In their justifications they indicate that when the amendment was passed in 1958 there were 606 firms under the act and this past year there were 1,528, and they anticipate 2,200 firms coming under the purview of this act. They asked for increased funds in order to employ marketing specialists and an accountant.

If these funds were not allowed what would be the effect in the proper operation of the Packers and Stockyards Act?

Mr. SANDERS. Insofar as our industry under the act is concerned I would point out, as I endeavored to do in the statement, that with 1959 fiscal year funds and our cooperation, holding meetings, explaining what was required under the act, they accomplished the posting of 932 additional stockyards without additional funds.

Actually in this current fiscal year, ending now in June, they have not made any startling progress. We have still lent our cooperation and the posting job of 2,300 is not nearly done.

The biggest majority of that work was accomplished without any additional money at all. It is a matter of industry cooperation.

Mr. MARSHALL. We thank you for your appearance before the committee.

BRUCELLOSIS CONTROL

WITNESS

HON. HENRY ALDOUS DIXON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF UTAH

Mr. MARSHALL. We will be very glad at this time to hear from our colleague from the great State of Utah, Congressman Dixon, who is appearing before the committee in behalf of the program on brucellosis.

Congressman Dixon is a very able member of the Legislative Committee on Agriculture.

Mr. DIXON. I appear at the direction of the House Committee on Agriculture and not on my own behalf. They have prepared a resolution with regard to the appropriation for brucellosis which I ask consent to insert in the record.

We have cleared up 21 States. At the rate at which we are going under the 1959 appropriation we can clear up the Nation by 1965, but with the cut in the appropriation, which was about $6 million for this year, it will take until 1974.

Those of us who have a clean bill of health would like to see the Nation cleared up quickly. We think it is uneconomical to string it out.

The committee figured here it would cost $230 million more to string it out and to give us $20 million for 1960 and $22 million for 1961 and the next 4 fiscal years.

That, Mr. Chairman, is all I have.

Mr. MARSHALL. We thank you for your statement and we thank you for appearing before the committee.

This committee, as you may recall, has had quite a problem in this regard because there have been several attempts made by the Depart-

ment of Agriculture in the last 7 years to reduce the funds for control of brucellosis, so we have had these requests coming up from the Department to reduce funds for this program.

Again it gets into the budgetary process where it is a problem in these times to try to work these figures out and staying within the budget.

I presume that may have been part of the basis for their reducing the request, but it does not make the work of this committee any easier.

Mr. DIXON. I imagine that is the situation. The State legislatures have appropriated their matching funds and we are afraid that unless we carry it on rapidly the thing will bog down.

Mr. MARSHALL. In presenting the request for funds to us on a number of occasions we have been told the Department did not feel the reduction of funds from the Federal standpoint would reduce control of brucellosis. Their feeling was that the program had reached the place where the States would be able to carry on the program.

Mr. DIXON. Witnesses who appeared before us testified differently. The number of counties working on this has dropped from 544 to 322 because of lack of funds.

Mr. MARSHALL. We shall insert the resolution in the record.

(The resolution referred to follows:)

COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES

RESOLUTION

To further reduce the incidence of brucellosis by providing Federal support to complete nationwide certification and proceed toward the eradication of brucellosis under the brucellosis eradication program

Whereas the Eighty-third and the Eighty-fourth Congresses indicated that it is the policy of the United States Congress to accelerate the brucellosis eradication program by increasing the Federal support of the cooperative State-Federal brucellosis eradication program; and

Whereas the increased support was made available by an authorization to the Secretary of Agriculture to utilize funds available to him in the Commodity Credit Corporation; and

Whereas this authority was withdrawn due to increased appropriations in the appropriation Acts to the Department for the conduct of this program; and

Whereas remarkable progress toward the goal of elimination of brucellosis from the cattle of the United States was achieved during the first 5 years of the accelerated program, as evidenced by the fact that during this period a total of one thousand three hundred and twenty-six counties, including twenty-one complete States, Puerto Rico, and the Virgin Islands qualified as modified certified brucellosis areas, which means that the infection has been reduced to a level of not more than 1 percentum of the cattle and 5 percentum of the herds; and

Whereas the incidence of brucellosis in man has been reduced from one thousand eight hundred and twenty-three cases reported in 1954 to seven hundred and twenty-one cases reported in 1959, and thereby eliminated unnecessary human suffering; and

Whereas the State and Federal support for the program during fiscal year 1959 made it possible to meet the service requirements necessary to advance the program in an efficient and effective manner; and

Whereas at the 1959 level it was estimated that the entire country could have attained modified certified status by 1965; and

Whereas the financial support from the Federal and State Governments for 1960 has been reduced to a level where drastic curtailment of many essential aspects of the program has been necessary; and

Whereas the reduced level of State and Federal support for the brucellosis eradication program has brought about a curtailment of the progress being achieved, as evidenced by the fact that there are now more than two hundred counties eligible to begin working for area certification, which cannot be undertaken because of the lack of funds and because as of February 1, 1960, there were only three hundred and twenty-two active area work counties as compared to five hundred and forty-four such counties at the same date last year; and

Whereas for lack of funds the level of calf vaccination has been reduced significantly in many areas, which will endanger the achievements of the program in the future unless corrected; and

Whereas it has been estimated that at the current level of support complete nationwide certification status cannot be achieved before 1974; and

Whereas this nine-year delay will require the expenditure of approximately $230,000,000 more to qualify the entire country for certification than would have been necessary if the work could have been continued at the 1959 level: Therefore, be it

Resolved by the Committee on Agriculture of the House of Representatives, That, since it is the sense of this committee that the brucellosis eradication program be maintained at a level which will make possible the most economical program achievements, there is hereby recommended to be appropriated $20,000,000 for fiscal year ending June 30, 1960, and $22,000,000 for the fiscal year ending June 30, 1961, and each of the four succeeding fiscal years.

Approved: March 15, 1960.

Attest:

CHRISTINE S. GALLAGHER, *Clerk.*

Mr. MARSHALL. Thank you for appearing before us, Mr. Dixon.

TUESDAY, MARCH 22, 1960.

PACKERS AND STOCKYARDS ACT

WITNESS

C. T. SANDERS, EXECUTIVE COUNSEL, NATIONAL LIVESTOCK DEALERS ASSOCIATION

Mr. MARSHALL. We are pleased to have before our committee again Mr. C. T. Sanders, executive counsel of the National Livestock Dealers Association.

Do you have a statement to present to the committee, Mr. Sanders?

Mr. SANDERS. Yes.

Mr. Chairman and members of the subcommittee, this marks the first appearance of the National Livestock Dealers Association before this subcommittee. It is the national business trade association of livestock dealers and order buyers in interstate commerce. The number of concerns so engaged has been estimated to be between 20,000 and 25,000. Each is subject to the jurisdiction of the Packers and Stockyards Act as administered by the Secretary of Agriculture.

My name is C. T. "Tad" Sanders. I am executive counsel of the association, which has its offices in Kansas City, Mo. I appear here in my representative capacity with such association.

The association is a voluntary organization and is made up of livestock dealer and order buying concerns which have subscribed to the purposes and objectives of the trade association. By way of background information, I should like to submit with this statement a pamphlet copy of the association's constitution and bylaws which

likewise contains the names of the current officers and directors. It will serve to put this statement in the proper perspective.

Our industry comprises the largest number of individual concerns subject to the jurisdiction of the Packers and Stockyards Act. Livestock dealers, as such, are required to register and file an appropriate bond under the act. "Livestock order buying" is a trade term that may either come within the category of "dealer" or "market agency buying on commission," both as used in the Packers and Stockyards Act. The act's jurisdiction then extends in two categories to those in the industry included within our trade association.

According to the last official statement from the Livestock Division, USDA, on or about February 10, 1960, 2,300 firms are now registered as market agencies to buy and sell livestock on a commission basis under the act, the big majority of which would be selling agencies. It was also stated at the same time that 3,100 livestock dealers who buy and sell for their own accounts were registered and bonded under the act and "that there are many more livestock dealers not yet registered and bonded throughout the country." Based on the Department's estimates of some 20,000 to 25,000 dealers, the number registered represents a little over 12 percent of the total.

As the members of the committee are aware, the Packers and Stockyards Act was amended by Congress in September 1958, making it applicable to all livestock marketing transactions in commerce. Prior to the amendment, only dealers doing business at "posted" stockyards were required to be registered and bonded. The amendment delegated some discretion to the Secretary of Agriculture in respect to registration and bonding of market agencies and dealers not doing business at "posted" stockyards. The Secretary resolved this, by a revision of the regulations promulgated under the act, on May 25, 1959, by requiring that—

> every person operating or desiring to operate as a market agency or dealer as defined in section 301 of the act shall apply for registration under the act by filing * * * a properly executed application * * * and shall, concurrently with the filing of such application, file the bond required in section 201.29.

Our association, through its executive committee, and upon its initiative, first arranged a trade practices conference with the Department's Livestock Division on November 2 and 3, 1959. The second is now in progress or will be in progress tomorrow. By these conferences, the dealers seek a mutual basis of cooperation and understanding in respect to the law.

The livestock dealers accept the provisions of the act in respect to registration and bonding, and the association has pledged its cooperation to the Department in fulfilling the requirements in this respect throughout the industry. The association seeks a greater degree of mutual respect, responsibility, and confidence as between the USDA and the dealers industry. It is likewise clear that it is necessary in accomplishing the uniform and effective administration and enforcement of the Packers and Stockyards Act as applicable to dealers that the fears and apprehensions in respect to the requirements of the law be dispelled. Registration and bonding can denote a pride in the business and constitute a public declaration of integrity as a livestock dealer more readily than it need be viewed with apprehension and suspicion, as is now the case.

It is my understanding that the Department of Agriculture has submitted a budget request of $1,613,550 for the purposes of administration of the act for the fiscal year commencing July 1, 1960. It is likewise my understanding that such request compares to an appropriated amount of $1,387,400 for the fiscal year ending June 30, 1960, and an appropriated amount of $1,085,438 for the fiscal year ending June 30, 1959.

As the largest industry in terms of numbers of concerns required to register and file bonds under the act the association wishes to make it clear to the subcommittee that it takes no selfish nor self-serving position of seeking to obstruct implementation and application of the act through inadequate funds to accomplish the directive of Congress to the Secretary to administer the law.

The association's primary concern is to first see the act applied and administered uniformly in respect to dealer registration and bonding, and that this be accomplished with reasonable understanding of the ramifications involved in the industry nationwide.

Based on the knowledge of the livestock dealer business and the men engaged in it, coupled with the confidence in what can be accomplished through a proper basis of USDA-industry cooperation in regard to application and administration of the act, the association concludes that such budget request as now before the subcommittee for the fiscal year ending June 30, 1961, cannot be justified on the basis of yet unregistered and unbonded dealers, nor the size of the task in accomplishing such registrations and filing of bonds.

The administrative job involved in obtaining compliance with registration and bonding requirements, we feel, can best be accomplished through Government-industry cooperation on a basis of mutual regard for the responsibilities on both sides. We likewise believe that compliance with trade practice standards can be accomplished on the same basis in the best interests of the livestock and general public.

The association places its confidence in this subcommittee, and in the entire Appropriations Committee, through the means at hand, to encourage on the part of the Department a realistic and enlightened approach, taking full advantage of the desire of this association to lend its full cooperation, in the efficient administration and application of the act to livestock dealers, with due recognition of the nature, integrity, and responsibility of the business.

I thank the subcommittee sincerely for the time that has been afforded the association to present its views.

Mr. MARSHALL. Thank you, Mr. Sanders.

Mr. SANDERS. Thank you.

Mr. MARSHALL. The committee stands adjourned until 1 o'clock tomorrow.

TUESDAY, MARCH 22, 1960.

NATIONAL SCHOOL LUNCH PROGRAM

WITNESSES

CHARLES W. LILLEY, LEGISLATIVE CHAIRMAN, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION
EDGAR FULLER, EXECUTIVE SECRETARY, COUNCIL OF CHIEF STATE SCHOOL OFFICERS
MRS. FRED L. BULL, CHAIRMAN OF LEGISLATION, NATIONAL CONGRESS OF PARENTS AND TEACHERS
JOHN PERRYMAN, EXECUTIVE DIRECTOR, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION
MRS. RICHARD G. RADUE, NATIONAL CONGRESS OF PARENTS AND TEACHERS

Mr. MARSHALL. The subcommittee will be in order.

We shall hear at this time witnesses who are appearing on the national school lunch program. The first witness is Mr. Charles W. Lilley of the American School Food Service Association.

Mr. LILLEY. Gentlemen, we deeply appreciate the opportunity of testifying before this committee, because we have a problem. I speak to you as a State school lunch director, as well as chairman of the legislative committee, for an organization with 20,000 members in 50 States of the Nation.

Our mandate is the National School Lunch Act which describes its purpose as a measure of national security, to safeguard the health and well-being of the Nation's children, and to encourage the domestic consumption of nutritious agricultural commodities.

Have we carried out this mandate too well? Must we cut back somewhere? And if so, in what area? The program certainly "encouraged the consumption of nutritious agricultural commodities" to the tune of $597 million worth, during the fiscal year of 1958, 85 percent of which was purchased from local merchants.

The second major purpose of the act is to safeguard the health and well-being of the Nation's children. This we can do only by putting food into their stomachs. The more children we reach, the more nearly we are doing our job—but the more difficult our financial problem becomes. This year it is estimated an average of 13 million children will receive a nutritionally balanced meal each schoolday. For a great number this is the only substantial or balanced meal they will have during the day. Every year we hit a new high. This we must do if we are to serve the growing school-age population, if we are to reach more of the children not now benefited, and if we are to administer the law in accordance with the will and spirit of Congress in passing it.

In my own State we are experiencing 11.9 percent increase this year.

One big reason for this growth has been the low cost to the child for his lunch. It is imperative that the cost be kept low. The average payment by the child in the United States for a complete meal including one-half pint of milk is 26.4 cents. It has taken a dedicated group of school lunch workers to accomplish this. Food costs, labor costs, and materials have all been going up while the cash subsidy has been going down.

The average total cost of these meals this year is 47 cents. Of this 4.4 cents come from Federal reimbursement, 6.3 cents from federally donated commodities, and 9.9 cents from State and local contributions. The balance of 26.4 cents is paid by the child.

The figure for the State and local contribution does not include the enormous expenditure made and being made for new lunchroom facilities and equipment and the remodeling of old kitchens. The modern kitchens and light, airy dining rooms are a far cry from the ill-equipped basement rooms we had when the program started. Federal regulations do not permit these expenditures to be included under the matching provision. The last table I saw shows the States to be matching on a 7½-to-1 rate, not counting physical facilities. Contributions from within the States, exclusive of children's payments, totaled $203,681,000 last year.

The demands on the States and school districts for funds for new buildings, more teachers, and higher salaries makes it impossible for them to increase their contributions to food service. If the charge to the child is further increased, who knows how many children will be priced out of the lunhcroom? To that extent we will be failing in our obligation.

The Congress has enacted legislation which insures a payment of either 3 or 4 cents per half pint of milk served children without any reference to need or matching funds at the State or local level. Are we being unreasonable in asking for just a little more for a complete meal which includes a half pint of milk and with the further requirement that all children must be fed regardless of their ability to pay? The latest figure available for a year shows 202,881,000 meals served free or at reduced price. If this is multiplied by the average charge of 26.4 cents per meal, it amounts to $53,560,584, another sizable local contribution.

Last year 11 States reimbursed less for the type A lunch which includes a half pint of milk than they did for one-half pint of milk under the special milk program. Many more will do so this year. In Colorado this year for the first time we had to go under 4 cents. We are paying 3½ cents to most of our schools. Unless we can increase our payment per meal, more and more schools will drop out of the national school lunch program. This usually means a la carte service, no requirements on meal type, no requirements for free meals, no reports, and yet able to qualify for the 3 cents per half pint on all milk served and section 32 commodities.

We are not seeking a windfall—just enough to hold this program together at its present high level of emphasis: nutrition, not profit. Federal money is the glue which holds this program together.

This committee needs no selling on the lunch program, and don't think we are ungrateful for the consideration you have given us in the past. We realize you are placed in a difficult position when the agency that administers this program presents you with a budget figure and tells you it is adequate. We must point out that the Department makes absolutely no provision for the continuing increase in participation. Where would we be now if you had accepted their recommendation 3 years ago and had cut back to $83 million or last year if you had reduced our appropriation by $10 million and eliminated the transfer of section 32 funds as they recommended?

The budget figure presented you by the Department is not realistic and will not provide sufficient funds for us to carry out the intent of Congress or the Secretary's regulations.

It is our considered opinion that the minimum amount that will permit the States to do the job Congress has set for them under the National School Lunch Act is an appropriation of $135 million plus the transfer of $55 million of section 32 funds to be used by the Secretary pursuant to section 6 of the National School Lunch Act. It is our understanding that there is a considerable surplus in this fund available to the Secretary. We further request that all appropriated funds be distributed to the States except the amount necessary for administrative expenses.

In 1957 all donated agricultural commodities were valued at $132 million or 8.3 cents per meal. In 1958 this dropped to 4.4 cents. This year, because of transferred funds, it will be 6.3 cents. Under the present policies of the Department, we cannot expect much in the way of section 32 purchases other than mandate items. Lard, for example, has been cheap and in plentiful supply, yet none was purchased for the school lunch account. Due to the great amount of baking being done to utilize the donated flour, lard or any shortening would have been a boon to the schools.

Regardless of the amount of funds you gentlemen recommend for this program, it must be a great satisfaction to you to know that not a dime of it, except an amount for national administration, will be paid out for any purpose other than to help defray the cost of a meal which has already been consumed by a child. I know of no other Federal funds that are so completely utilized for the purpose for which they are appropriated or that act as a catalytic agent to activate such a huge program touching the lives of millions of children and adults and inspiring a business which grosses a billion dollars a year.

Thank you gentlemen for your consideration.

If there are questions, I shall be happy to try to answer them.

Mr. MARSHALL. We thank you for a very fine statement.

Mr. Fuller, we shall hear from you at this time.

STATEMENT OF MR. EDGAR FULLER

Mr. FULLER. Mr. Chairman and members of the subcommittee, my name is Edgar Fuller. I am executive secretary of the Council of Chief State School Officers. The council's members are the superintendents and commissioners of education in the States, territories, island possessions, and the Commonwealth of Puerto Rico. I appreciate the privilege of appearing here in connection wtih the national school lunch appropriations for the fiscal year 1961. We are in susbtantial agreement with the testimony presented by Mr. Lilley.

Mr. Chairman, we would be grateful for favorable consideration by your committee of an appropriation of $135 million for fiscal 1961 to be used solely for cash disbursements, along with an authorization of $55 million in mandatory transfers from section 32 of the Agricultural Adjustment Act for expenditure under authority of section 6 of the National School Lunch Act. These amounts appeal to us as equitable under all the circumstances, recognizing the very difficult problems faced by your committee in regard to these appropriations.

We have noted that only last month the full House Committee on Agriculture, in dealing with the authorized CCC transfer of funds for the school milk program, took the position that the school milk and school lunch programs are perhaps more necessary for the general welfare and for the consuming public than for the farmers. Other so-called farm programs were placed in the same category. Altogether, the committee seeks ways through which some $3 billion of the $6 billion anticipated appropriations cleared by the committees dealing with agriculture for fiscal year 1961 may be charged to other than price support of agricultural products. We are in sympathy with the beginning made toward this more accurate labeling of expenditures for programs dealt with by the Committees on Agriculture. The authorization for $15 million in cash for the school milk program, in addition to the authorization of $85 million for CCC transfer authority, marks a reasonable first step in implementing the policy of the full committee.

Mr. Chairman, we recognize that the fiscal policy being followed for the school milk program is not the same as that for the national school lunch program. The approach in the case of the school milk program is to maintain the Federal reimbursement rate per half pint of milk as the program grows; in other words, to increase the Federal appropriation as necessary to care for increased participation at the current rate, rather than to reduce the rate of reimbursement as the pupil participation grows by leaving the Federal appropriation substantially the same. We hope that eventually the school lunch program will be dealt with in the same way.

Mr. Chairman, as you know, the national school lunch appropriations have been increased considerably since 1947, but not nearly enough to maintain the 1947 level of reimbursements per school lunch. The country has grown by many millions of schoolchildren since then, and participation in the national school lunch program has increased much faster than the growth in population.

The appropriations have failed so seriously to keep pace with the increase in participation in the school lunch that the Federal reimbursement per type A lunch is down from 9 cents to 2½ cents per school lunch in one State and averages less than one-half of the original amount for all the States. The effect of this policy is to exact a financial penalty in the States that have done most to make the school lunch universally available to all children. It provides a financial reward, comparatively, in the States that have done little to promote the school lunch, since the reimbursement rate per lunch is higher when fewer lunches are served.

This anomaly stems from the formula for distribution of national school lunch funds in the 1946 act, which is based on relative school-age population rather than upon participation in the school lunch. We realize that for fiscal year 1961 there is not a great deal that can be done about this fundamental inequity which penalizes diligence and rewards lethargy.

We hope the additional appropriations and transfers of funds suggested here may be a transitional step toward a congressional policy of recognition of pupil participation in the national school lunch program along the lines of policy already followed in the school milk program. Eventually the school lunch and school milk programs could prob-

ably be combined with good results, but both are so useful to schools that we would hope that the process of merger would not tend to reduce the total assistance to the constantly growing programs in the schools.

Thank you very much.

Mr. MARSHALL. Thank you, Mr. Fuller.

STATEMENT OF MRS. FRED L. BULL

At this time we shall be pleased to hear from Mrs. Fred L. Bull, chairman of the National Congress of Parents and Teachers. Have you a statement you wish to make, Mrs. Bull?

Mrs. BULL. Mr. Chairman and members of the committee, I appreciate very much this opportunity to appear before your committee again in behalf of the national school lunch program.

I am sure you know that the National Congress of Parents and Teachers, with a volunteer membership of 12 million men and women who are taxpayers, in every State of the Uninon, has as its sole concern and chief objective—the health, the education, and the welfare of all children and youth.

You probably know also that PTA members, for many years prior to the passage of the National School Lunch Act, prepared and served free of charge hot cocoa and hot soup to children in thousands of little schools. We have long recognized the great need for such a program and have seen firsthand the almost unbelievably good results.

We were in complete agreement of course with the intent of Congress in passing the National School Lunch Act in 1946 "to safeguard the health and well-being of the Nation's children." At that time it was still fresh in the minds of Congress and the public that nearly 50 percent of our youth had been found unfit for military service.

The tremendous increase in interest in the program since the passage of the act, is evidenced by 243 percent increase in participation since 1946. In 1947 approximately 3.5 million children participated as compared to 12.8 million in 1960; the number of type A meals served during those same years increased 278 percent, from 527.5 million to 2,117 million.

The disturbing fact is, that despite this amazing increase in participation, the Federal appropriations during those 12 years have not kept pace with the growth. The average rate of reimbursement for type A meals in 1947 was nearly 9 cents each. This has steadily declined to an average of only 4.4 cents in 1960. Furthermore, during these same years food and labor costs have risen rapidly, the purchasing power of the dollar has declined sharply, and the need for free meals increased. This has posed serious problems in most States according to our PTA reports.

Our PTA membership was so concerned last year about the future of the program, it was decided to make a survey of the status of the program in each State. This was begun after the close of the school year last July. I have here with me today some of the reports from various States, which I am still receiving, and I think you will find them most interesting. They were sent to me by State PTA presidents or legislation chairmen in most instances.

I wish to quote excerpts from the report I received from Florida, which is typical of many States.

Our State school lunch reimbursement rate is one of the lowest—2.5 cents per meal. About one-half of the counties have deficit schools, ranging up to six such deficit schools in a county with eight programs. Instead of closing programs, other actions have taken place including:

1. The principal solicits aid from community groups—passes the hat.
2. The school board pays final bills rather than endanger the credit of other schools. Because of other pressing financial needs, school boards are less and less able to write off end-of-year deficits.
3. The deficit is carried over to the following year and retrenchments are made in order to get the program back in the black.
4. Sale prices go up.
5. Needy pupils are denied free lunches.
6. Lunches become more and more substandard.
7. Personnel forgo sorely needed wage increases.
8. The school slides along and does not replace broken dishes, wornout pots, etc.
9. Schools drop school lunch reimbursement and type A lunches in favor of a la carte offerings and milk reimbursement. Pupils buy what they please and supplement snacks with a bottle of milk. The schools stay in the black but the nutritional adequacy of the programs suffer tremendously.

School lunch programs all over the State are suffering because of inadequate funds. Because of the nutrition and free lunch requirements of the National School Lunch Act, it is imperative that Federal reimbursement be at sufficiently high level to permit schools to meet these requirements and avoid a deficit. This is not now the case.

This report was submitted by Mrs. Thelma G. Flanagan and Mrs. W. L. Mussett.

Another interesting and comprehensive report came from Minnesota, where the State as well as the school districts make substantial cash donations to supplement the Federal cash and commodity assistance and the students' fees.

There is a growing acceptance of the school lunch program as an integral part of the overall educational program in our Minnesota schools because of the correlation between the classroom, the school lunchroom, and the community. Particularly through the efforts of your PTA organization there is a real understanding of the need for the program and the place it plays not only from the standpoint of health of the children but the impact on our Minnesota economy. In this connection it is interesting to note that our school districts paid out for food this past year $9,865,295 and in cash for labor in connection with the program $4,290,335. Participation has steadily increased, now 4 out of every 10 children benefit, but we still have a long way to go. Part of the answer in increasing participation lies in additional Federal support. When the program was inaugurated we received 9 cents per meal. Notwithstanding the higher food, labor, equipment costs, etc., due to increased participation, we received this year approximately 3½ cents per meal. At the State and local level everything possible is being done to bear a reasonable portion of the cost over and above the child's contributions.

This report was made by A. R. Taylor and Mrs. C. A. Sundberg.

Time will not permit a review of other reports I have with me from Maine, Alabama, California, Wisconsin, Washington, New Hampshire, West Virginia, Nebraska, Maryland, and other States. They might be summarized in the 10 statements below:

1. Without exception all agreed the school lunch program was most worthwhile and should be continued.

2. It should be an essential education and welfare program. For many children the hot lunch is the only such balanced meal they get, and there is ample evidence of the program's value for improving the physical and mental health of children.

3. Without exception all agreed that additional Federal support is needed to meet participation increases. They hopefully suggest the 9-cent rate provided in 1946.

4. The cost to students has steadily increased, thus (*a*) eliminating more and more children who cannot pay (the very ones who need it most) or (*b*) the quality and the quantity of the lunch has been drastically reduced. The result in either case is contrary to intent of Congress in establishing the program.

5. The lunch program is recognized as a partnership between the Federal Government, the local communities, and the parents, and to continue successfully with full participation each partner must increase his efforts. The States and local communities are more than doubling the matching requirements in most places and parents are making the greatest financial contribution, but the Federal Government is falling behind.

6. In some places cooks have been dismissed and replaced with volunteer mothers. In others there is too little money for adequate supervisory services and for good administration. Some programs have actually closed out. Others have reverted to the snack and milk.

7. Certain inequities seem to exist in the distribution of funds at present which should be corrected.

8. One unexpected but most valuable result of our little survey was the fact that so many of our members became better acquainted with the details of the program, the actual operational and financial problems as well as the value of it in respect to improved health and health habits and the effect on the learning experiences of children. No one can teach a hungry child.

9. The most recent reports indicate that the situation during this current school year is somewhat improved over last year. I assume this is due to the increased appropriation and particularly to the improved distribution of foods from section 32 funds which met more adequately the needs of the schools.

10. Citizens generally seem to feel there is definitely a national responsibility for this program which so clearly operates for the Nation's health, education, welfare, and ultimate security. Many of our PTA members who live in rural areas and belong to farm organizations are fully aware of the contributions the program is making to our agricultural economy.

I would like to call your attention to this time to a picture which I pulled out of the Utah State PTA bulletin last month. It is from an article telling about the Governor's declaring a school lunch week for the State. In his proclamation he points out that:

The Utah school lunch program is a live nutrition education program administered to develop desirable food and eating habits in children and youth and indirectly to improve food habits of all members of the family. Our individual school lunch programs are dedicated to (1) provide a learning situation by which a child gains both education and social experience, and (2) provide nutritionally balanced and well-prepared lunches which will supply the kinds and amounts of food children need. Therefore, I hereby designate the week of March 14–18 as Utah School Lunch Week.

I would like to add that in some of the States our PTA's are serving at PTA meetings type A lunches and having supervisors explain the program and what it means. So we are hoping to have the people understand a little better what this program does mean in the individual communities.

Mr. Chairman, we of the National Congress of Parents and Teachers strongly recommend to your committee an increase for cash reimbursements and administration (at least $135 million) and no less than $55 million in transfer of section 32 funds for commodities.

Mr. Chairman, we would like to commend you and every member of your committee once again for your long-time record of interest and support of the school lunch program and particularly for your effective leadership last year with the Senate-House conferees. We feel confident you will use your influence to have the appropriations increased substantially this year.

If participation were increased 50 to 75 percent the amount of food purchased would increase proportionately. We can think of no better or more rewarding way to ease the problem of farm surpluses and assist in stabilizing our national economy than by supporting such an educational program which we know will be of inestimable value to the total mental and physical fitness of future generations. The emphasis, however, we feel, should be on the lunch program instead of providing an outlet for farm surpluses or for other such reasons. We would like to see the program strengthened and expanded because of its great value to the health and welfare of the Nation's citizens.

I thank you very much for the privilege and pleasure of appearing before your committee today.

Mr. MARSHALL. We thank you for your fine statement, Mrs. Bull.

We appreciate the fact that Dr. John Perryman, executive director of the American School Food Service Association, is here. We would appreciate hearing from you if you have something you would like to add.

Dr. PERRYMAN. Mr. Chairman, I believe I would make just one comment in summary after listening to these statements.

I believe a very good case can be made for saying that more has been accomplished in the field of human nutrition in the last 14 years as a result of this program than had been accomplished in this country in the 100 years preceding.

I think we are seriously in danger of the program's falling apart because the incentive coming from Federal funds is dropping so low that it ceases to be an incentive, and there is a growing temptation on the part of the local school to drop back into old habits, to drop out of the program, which, unfortunately, many of the school districts are doing, particularly in California. This has grown to be a major problem there.

There is a temptation to sell youngsters anything they will buy, to run the cafeteria on a profit basis, to buy band uniforms with the money.

The whole basis of nutrition and nutrition education which has been developed under the program can be lost. I think we are at a pivotal point and we just cannot go along on the same basis. Either we have to have more and keep underway the wonderful work which has already been started, or else there is real danger that we will start going in the opposite direction while there is yet so much to do.

Mr. MARSHALL. Thank you.

We also have another old friend of the school lunch program, Mrs. Richard Radue, of the National Congress of Parents and Teachers, who has attended these hearings for several years. Have you something you would like to say?

Mrs. RADUE. I have nothing to add to the statements. In the years I have been attending, I realize that you gentlemen are the best friends the school lunch program has, and we put in your hands the program.

Mr. MARSHALL. Thank you.

STATEMENT OF MRS. ADA BARNETT STOUGH

At this time we shall be glad to have the testimony of Mrs. Ada Barnett Stough, executive director of the American Parents Committee, placed in the record. Unfortunately, she is unable to be here today.

The statement is as follows:)

TESTIMONY ON THE NATIONAL SCHOOL LUNCH PROGRAM BY AMERICAN PARENTS COMMITTEE, MRS. ADA BARNETT STOUGH, EXECUTIVE DIRECTOR

Gentlemen, once again we come before you to urge more adequate support for the national school lunch program. We believe the needs this year call for a cash appropriation of about $135 million and at least $50 million of funds for the purchase of food transferred from section 32 to section 6. Furthermore, we think there is need to have all the donated foods bought with the transferred funds so that the entire cash appropriation can go for reimbursement to the schools for the lunches served.

We think the following facts prove the need for the amount we are asking you to appropriate.

1. The number of children benefiting from the school lunch program today is four times as great as the number taking part in the early years of the program. Yet the Federal appropriation has increased only about 35 percent.

2. The average national reimbursement per lunch has gone down from 8.7 to 4.4 cents. In some States it went last year to as low as 2.8 cents.

3. The contribution of the Federal Government (including cash, all the surplus commodities, and administration) is about 23 percent of the cost of the entire lunch program.[1]

4. The cost of labor, the foods which must be bought, equipment, and all other expenses continue to rise. This means that it costs the school cafeteria more and more to serve each lunch. Yet the saturation point has been reached as to how much a school can charge the child for each lunch. If it raises prices, children can't buy lunches; the overhead must be maintained, but participation becomes less.

5. The extra high protein foods made available this year by last year's congressional action have forestalled a serious crisis but they have not remedied the serious fiscal problems. The following quotations from four directors of school lunch programs in answer to our inquiries illustrate these difficulties.

From Illinois

"Our most serious current problem, of course, is trying to maintain a good nutritional lunch program and still keep our schools in the black. This can only be done by an increase in the subsidy and allowances for surplus commodities * * * there should be a ceiling of at least 5 cents per lunch and in those States where the per capita wealth is low and the number of school children is great, this could be adjusted upward, based on some type of formula on per capita wealth and number of pupils of school age in a particular State."

From Minnesota

"Financing the program continues to be a real challenge to our school authorities. On the one hand, food, labor, equipment, and building costs continue to rise; in too many instances, the saturation point has been reached so far as the asking price of the lunch is concerned. As we have stated from time to time, there is no question but that the meal charge does act as a deterrent so far as participation in the program is concerned. Our Minnesota schools are resorting more and more to the so-called family rates which means decreased revenue. This year some 12 percent of our schools were confronted, in varying degrees,

[1] Total cost, $920,586,000; total Federal expenditure, $211,822,000.

with the serving of meals free or at reduced cost to youngsters because of the steel strike * * * we will be able to reimburse the schools about 3.3 cents per lunch this school year from Federal funds. In this connection I think it is interesting to note that from the standpoint of the $1,520,000 Federal allotment both the State of Minnesota and the Minnesota school districts have been measuring up to their financial responsibility in the operation of the school lunch program. Our legislature made available $400,000 cash while the schools will contribute better than $1.5 million. The children will contribute approximately $10 million * * *. When these parlous times demand so much of the individual physically and mentally with no letup in the foreseeable future, it is a source of wonder to me why our first line of defense—our children of today—should not be given every opportunity to grow into adulthood with strong healthy bodies. It is insurance that may be purchased at a reasonable price through an adequate appropriation from year to year by the Congress, in keeping with expanded needs of this fast growing program."

From Missouri

"With the $110 million national appropriation last year and with a 4-cent reimbursement in effect in Missouri, our funds became exhausted with the payment of 47 percent on the May claims submitted by our schools. Based on operations through December of this year, we now find that we have an 8.7 increase in participation over the same period a year earlier. Therefore, with the same amount of funds allocated to our State, it is evident that we will not be able to continue the 4-cent reimbursement this year but, rather, that our allocation from the national appropriation will become exhausted with the payment of approximately 25 percent on the May claims and no funds will be available for reimbursement purposes for those schools that operate into June.

"One of our biggest problems remains the continued increase in enrollment and participation in the national school lunch program without consideration at the national level in increasing the cash reimbursement phase of the program accordingly. Our reimbursement rate in Missouri has decreased from 9 cents during the 1946–47 school year to approximately 3.5 cents. It is difficult to explain to school administrators why, under one Federal program, we are able to reimburse them at the rate of 4 cents for each extra one-half pint of milk served while, at the same time, we cannot guarantee reimbursement in the same amount for a complete type A lunch which must include a one-half pint serving of milk. More and more schools are becoming discouraged by the manner in which budgets are submitted for the national school lunch program and are considering returning to the old a la carte system under which they can, at least, recover the actual cost of service. They are wise to the fact that they could still take advantage of the special milk program in an a la carte serve and that they would be much better off financially. We are quite concerned about this situation as it would make no provision whatsoever for the needy children and it would wipe out all of the work that has been done over the past 13 years in our efforts to develop better food habits by all children through the type A lunches."

From Florida

"The cash increase did help Florida's financial situation. For the first time in years, the average rate of reimbursement per lunch has shown a slight increase. The average rate September through December 1958, was 2.52 cents. For the same period this year, it was 2.86 cents. The national average for 1958–59 was 4.7 cents. As you can see, Florida is considerably below the national average. We are also below the national average in taxpaying ability. In accordance with the intentions of the National School Lunch Act, Florida's average rate of reimbursement should be above the national average. These figures point up the need to amend the National School Lunch Act, to eliminate such inequities by apportioning the funds on the basis of reimbursed lunches rather than an out-of-date school age population figure. This would make it possible for the National School Lunch Act to be an equalization appropriation, which was the intention.

"The foods received this year, under section 32, transfer, have relieved the strain considerably. My experience convinces me that a cash transfer would do considerably more good would be a sounder approach."

We think the experience in these four States is typical and if all the State directors were to come in here to testify they would tell you much the same story. In the light of it, we urge you to consider increasing the amount of the

cash appropriation to $135 million and to authorize $50 million to be transferred from section 32 to section 6 and to designate that all foods be purchased with the transferred funds.

Mr. ANDERSEN. I appreciate the kind remarks of the two ladies in which they recognize the efforts of the subcommittee through the years on this very worthwhile program. I might say even before the basic legislation was adopted, this particular subcommittee made provision for school lunch appropriations, and on the floor of the House we had to fight it through as an unauthorized program. That still further exemplifies the interest we have had for years in this particular room relative to your great work.

I would like to express my appreciation, Mr. Chairman, for the good work these people are doing in advancing this very worthwhile program.

Mr. MARSHALL. One of the members of our committee, Mr. Santangelo of New York, has been extremely interested in this program. He has done, we think, yeoman service on this committee in trying to make it possible for the school lunch program to have more of the red meats than had been furnished. This committee has long known that desirable school lunch programs should recognize a balanced dietary program. At the same time this committee has repeatedly felt that we ought to make available more of the commodities that the Department can distribute under section 32 funds. So some of us were quite disappointed last year, when we had a problem in connection with our eggs and pork, that more of those commodities were not made available.

I notice in your statement you call attention to the fact that you could have used more lard. We regret that this lard was not made available to you, because it certainly would at least have helped to alleviate the problem we have with surplus commodities.

As my colleague from Minnesota has said, this committee has long been interested in the school lunch program. We have made available funds over and above the budget, and we will continue to urge the Department to make surplus commodities available.

We want to say to you that we appreciate your coming before the committee and giving us the benefit of your views. Your testimony is valuable to this committee in its efforts to obtain recognition for the school lunch program on the floor. We thank you again for appearing before the committee.

SOIL CONSERVATION

WITNESS

HON. BEN F. JENSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. MARSHALL. At this time we are very pleased to hear from our able colleague from the State of Iowa, Ben Jensen, who always has been interested in agriculture and has some problems he would like to bring to the attention of this subcommittee.

Mr. ANDERSEN. If you would yield before Mr. Jensen starts his testimony, Mr. Chairman.

I recall when first coming to Congress 22 years ago that even then Ben Jensen was one of the select few who spoke out in behalf of soil conservation. In fact, I believe at that time, even 3 or 4 years prior to the time that you and I first officially proposed enactment of a soil bank program, Mr. Jensen had a somewhat similar idea in mind.

I express this for the record just to show that all through the years our colleague, Mr. Jensen, has been one of the members most interested in the conservation of our soil, and I must pay him my tribute for that splendid work he has done through the years. He is one of our Nation's outstanding champions of soil and water conservation.

Mr. JENSEN. That is very kind of you, fellow colleagues. Mr. Chairman and members of the committee, I certainly do not begrudge you members of this committee any of the pleasures which you might have on this committee because most of it is not pleasure—it is work. This problem of the farm squeeze that we have today is a most difficult problem with which to deal. You gentlemen on this committee, I must say, have done a wonderful job with a most difficult problem, one of the most difficult problems I have known.

Mr. ANDERSEN. This committee appreciates that statement.

Mr. JENSEN. Thank you, Mr. Chairman. That came from the bottom of my heart.

I would like to go back just a little, quite a way, in fact, 'way back 22 years ago when I ran for Congress the first time. I traveled some 36,000 miles, believe it or not, over my district. It was a pretty rough campaign. I saw there in every county and in every precinct great gullies, gullies where you could almost bury this Capitol. It was the most disgusting thing I ever saw.

Being born and raised on the farm, and having dealt with farmers all my life, having been in the lumber business for at least 24 years previous to my running for Congress, I knew of the farmers' problems, and I knew, also, that every one of my customers who conserved his soil bought a lot of material. Not only that but he always paid for it pretty quickly, and the fellow who did not take care of his soil bought very little and generally was slow pay. You can understand the reason why.

I made this promise to my people: I said, "If I go to Congress I will make you one promise. I will be very careful about the promises that I make, but I will make you this promise now," and I said it in almost every speech I made over a period of 8 months—"If I go to Congress I will do my level best to help those in Congress to get these gullies healed over and get our priceless topsoil conserved, not only for us here on earth today but for future generations."

I was elected and I came to Washington. I called Hugh Bennett, the daddy of soil conservation, God bless him. I said, "I am here."

He said, "Who are you?" I said, "My name is Ben Jensen. I was just elected to Congress from the Seventh District in Iowa." I told him the story I told your committee, Mr. Chairman. He said, "Good, I will put you on my team, on the first team." And he did.

I worked with that man and with the Soil Conservation Service religiously. Now, today, I must say first that I believe the record will show that my district, 14 counties, was the first district in the United States which was organized completely into a soil conservation district.

I talked soil conservation day in and day out because I knew we had to conserve this priceless topsoil of ours or America would die on the vine as every other nation in this world has come to its bitter end where they did not save their soil.

Mr. Anderson and I have traveled to many of those countries. Your good clerk, Mr. Ross Pope, has been with us, and other Congressmen have been with us, and we have seen what happened to these countries where now we have cold wars, misery, and strife. It is because they forgot, many, many years ago, that their soil would wear out, and it has worn out. It has blown away and been washed away to the sea. Now many of those countries are reaching out for more productive soil.

Thank God that we got started on this soil conservation program as early as we did.

The thing I am concerned about at this time, my colleagues, is the fact that there is less money in the 1961 budget for the Soil Conservation Service and for watershed projects than the Agriculture Department, the Soil Conservation Service, and the ASC had to expend for that very important work in fiscal 1960. It simply means that many proposed watershed projects would have to be eliminated for at least another year, slowed up, and possibly never get on the track and never be developed.

Mr. ANDERSEN. It is proposed to do away with eight planning parties. In other words, to take the planning parties for these watersheds away from eight States.

Mr. JENSEN. Yes.

Mr. ANDERSEN. I think that is a grave error. I think rather than to take away eight planning parties we should, as we heard the Soil Conservation Association people here say, we should add instead 12 to what we have today. I absolutely agree with you, Mr. Jensen, it is a step backward if the Congress agrees with the budget before us.

Mr. JENSEN. Yes; I certainly agree.

I inserted my remarks in the Congressional Record on March 11 last. They appear on page A2177.

Among other things I said at that time, I said this, Mr. Chairman:

> The President's 1961 budget calls for an increased appropriation of $118 million in the combined budgets of the Corps of Engineers and the Bureau of Reclamation. This proposal would raise their combined total to more than $1.1 billion.
>
> In startling contrast is the budget proposal to increase the small watershed program which provides for the Public Law 566 projects by only $5 million. Actually the budget leaves this program with about $4.5 million less funds because of using up the carryover funds from prior years.
>
> It is my understanding that a construction slowdown is already threatened.

Soil conservation and watershed treatment is flood prevention. The old saying is that a stitch in time saves nine.

When we hold the raindrops where they fall we not only keep that precious topsoil where it belongs but, more than that, we keep that soil out of the streams and the rivers. When this silt gets into the rivers, this precious topsoil, then they come to us, the Appropriations Committee, the Public Works Appropriations Committee of which I am a member, and ask for millions upon millions of dollars to dredge those many streams in America which are navigable.

Mr. MARSHALL. I might say that this committee has not been able to understand the attitude of the Bureau of the Budget since, as the gentleman has been pointing out, this has been a matter of economy to keep water where it falls. But as the gentleman knows it is a problem which we have had not only this year but in a number of other years. We have had this same fight and this same problem to try to conserve our soil and water resources on our farms.

Mr. JENSEN. That is right.

Mr. MARSHALL. I know the gentleman has given this a great deal of support when we have had this matter up on the floor of the House. Your opinions are valued by this committee.

Mr. JENSEN. I appreciate that, and I want you to know, Mr. Chairman, and the members of this committee to know, that I appreciate the fact that almost every year this committee has found it necessary to increase the budget request for soil conservation and watershed treatment.

I think you know that I would be one of the last Members of Congress to ask that more money be appropriated for any item if it were not absolutely justified. I know the members of this committee, every one of them, are concerned about the threat of inflation, and you have so proven by your votes and by your actions.

However, this kind of economy is penny wise and pound foolish because just as sure as we are sitting here, unless we keep the raindrops where they fall and keep that precious topsoil where it belongs it will get into the streams and into the rivers that are navigable, and then the Army Engineers will not bling an eye in asking us to spend $10 million, $100 million, or more to remove this precious topsoil which they call silt out of the navigable streams.

Therefore, gentlemen, I do not hesitiate a moment to come before you, my good colleagues, and urge that you increase the budget request for the Soil Conservation Service and for the watershed projects now in progress and those which should come into construction as soon as possible in an amount that is completely justified, in an amount that would assure that proper progress is made in this all-important program of soil conservation, water conservation, and flood prevention so necessary to the future of our blessed land.

That is all I have, Mr. Chairman.

Mr. MARSHALL. It is my privilege to view some of the work which has been done in the gentleman's district in Iowa, and I think some of the work I observed there shows that the things you have worked for in connection with soil conservation and water conservation have brought results in your district.

I certainly thought that the work I viewed there was very worth while.

We thank you for coming before us.

Mr. JENSEN. Thank you, Mr. Chairman. I know every member of this committee, including you, Mr. Marshall, have been strong supporters of this wonderful work in soil conservation which has cost so little comparatively speaking with other programs which were not nearly so essential.

Mr. Horan, it is always a pleasure to be around you. I have been in your district, too. I know how you feel about soil conservation. You have been a great proponent of mine.

Mr. Natcher, it has been a great pleasure to work with you on this Agricultural Committee. In your State you have come forward wonderfully well.

Mr. Chairman, you are a Democrat, Mr. Natcher is a Democrat, Mr. Whitten is a Democrat, but I know that you fellows agree with me that there should never be politics played with this program of soil conservation. I am happy to say that politics hardly ever creep into this program, and I have nothing but the highest praise for the good work you folks have done.

Mr. NATCHER. Mr. Chairman, I want to join with you in commending our friend and colleague, Mr. Jensen, for appearing before our committee at this time.

I have served on this committee for 6 years. During this time I have seen more than one occasion arise when our colleague and friend, Mr. Jensen, was tested, and thoroughly tested, insofar as his interest in our people and our country is concerned.

Mr. Chairman, as you well know, for a great number of years my people in Kentucky have suffered annually from flood conditions which have caused millions of dollars worth of damage and have taken lives on many occasions.

Last year I saw our friend and colleague, Mr. Jensen, thoroughly tested.

I want to say to you, my friend, that you are my kind of a Representative.

Mr. JENSEN. That is very kind of you, Mr. Natcher.

Mr. NATCHER. I want to thank you for your appearance before our committee, and I know that on each and every occasion when my section of the country appears before one of the subcommittees that you serve on, the Subcommittee on Public Works Appropriations, where the benefit-cost ratio is justified, and the project is needed, and it benefits our people, you have always been on the side of the people.

Mr. Jensen, I want you to know as one member of this committee, I appreciate it.

Mr. JENSEN. I thank you very much. After all, my friends, you know that floods are one thing that the American people and a human being cannot cope with when they come. I never want it on my conscience that I was responsible for not seeing to it that we not only have flood prevention, but also flood control, because we cannot get all of these preventive measures passed fast enough, so we have these terrible floods.

In my little town a year ago last July 2 a flood raced down through that little town of 1,200 people and I lost 9 of my friends. In my county we lost 19 people. While I am a conseravtive, generally speaking, I shall not economize there.

Mr. NATCHER. Let me interrupt to say that Mr. Jensen's actions in the past certainly bear out that statement.

Mr. JENSEN. Thank you, gentlemen.

Mr. HORAN. If I may, I would like to pay my little tribute here, Ben. We have worked together, all of us interested in conserving and improving the soils of America and keeping them where they are, and I want to commend you for your work down through the years in doing just that.

We have a tremendous future where entire communities can appreciate their smaller watersheds and work in that general direction. I think we are on the threshold of applying that same localized interest and showing some appreciation of the teamwork that is necessary in the major watersheds through the Forestry Service.

Mr. JENSEN. Thank you, Mr. Horan.

Gentlemen, I appreciate this opportunity to appear before you and I thank you very kindly for the kind things you have said in my behalf.

Mr. MARSHALL. You are always welcome.

Mr. WHITTEN. I am glad to have my colleague, Hon. Ben Jensen, of Iowa, before our subcommittee. I say for the record that in my 18 years here no one has been more interested in agriculture and its welfare than has the gentleman from Iowa.

We have had his effective support in the subcommittee's efforts in behalf of soil conservation, ACP, the Rural Electrification Administration, extension, research, price supports, and all the rest.

As ranking minority member of the Republican party, second in seniority only to Mr. Taber, of New York, Ben, your help has been of great benefit.

WEDNESDAY, MARCH 23, 1960.

PROGRAMS OF THE DEPARTMENT OF AGRICULTURE

WITNESS

HON. CLIFFORD G. McINTIRE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Mr. MARSHALL. The committee will be in order.

At this time we will be very pleased to hear from our colleague from the State of Maine, who is a very able member of the Committee on Agriculture and very well informed on agricultural problems.

Do you have a statement you wish to make to the committee?

Mr. MCINTIRE. Mr. Chairman and members of the committee, I have a statement here which is quite long, which I would like to put into the record.

Mr. MARSHALL. Without objection, we will place the statement in the record at this point, and you may proceed in any way you want.

(The statement referred to is as follows:)

TESTIMONY OF HON. CLIFFORD G. MCINTIRE, THIRD DISTRICT, MAINE, BEFORE THE HOUSE SUBCOMMITTEE ON APPROPRIATIONS FOR THE U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman, I am sure that all of us will agree that the agricultural conservation program makes a substantial contribution to agriculture.

Attesting to the popularity of this program in my State of Maine is the fact that in the current fiscal year, 6,816 farms have requested cost-sharing assistance. The dollar value of these requests was $1,969,750, this representing 201 percent of the $980,000 in funds available for this purpose. As a consequence of this inability to accommodate all such applications for cost-sharing assistance, the county ASC committees are now in the process of cutting farmer requests to conform with the available funds, and this is, indeed, a difficult task.

I respectfully urge that this committee examine the budget requirements for the agricultural conservation program, exerting every effort to assure that adequate funds will be provided to support an effective operation of this program.

At this point I would like to direct the committee's attention to a matter of my particular concern.

Each member of this committee is aware of the grand effort being made to find outlets for the agricultural surpluses considered to be the principal prompter of our present-day farm problem. One approach to this problem of surpluses is the development of markets for our agricultural commodities in foreign countries. Considerable progress has already been made along these lines, and as proof of this we can point to the fact that our domestic poultry industry is now enjoying a newly created market for eviscerated poultry in Western Germany.

As an aid in this effort the Congress last year, in extending Public Law 480, established that a first priority for market development should be insured through the making available of not less than the equivalent of 5 percent of total sales under the act.

However, standing in conflict with this congressional intent, as members of this committee are aware, is a recently advanced proposal of the Bureau of the Budget. This proposal provides that after present commitments are carried out, only excess foreign currencies shall be available for market development.

Under such a provision there would not be available badly needed "hard currencies" for market development, inasmuch as this sound type of currency would be used up for programs other than this under the Public Law 480 authority.

Needless to say, the requirements that market development rely only on "soft currencies" would also have the effect of eliminating convertibility in hard currencies. This would do away with the convenient and beneficial arrangement of converting one surplus hard currency over into another deficit currency, thereby permitting market development in the deficit area.

Because this Bureau of the Budget proposal places dynamic agricultural market development in jeopardy, and because it is inconsistent with the intent of Congress, I respectfully recommend that this committee establish in its report that there is nothing in this appropriation bill now being considered by this committee which stands in conflict with the declared policy of Congress with respect to the market development program under Public Law 480. This can, I believe, be best accomplished by specifically providing in the report that in every case where an agreement is entered into under title I of Public Law 480, 5 percent of the sales made under the terms of each such agreement shall be made available for market development work.

Mr. Chairman, I have the privilege of serving on the House Dairy and Poultry Subcommittee, and this subcommittee has, after giving serious consideration to the problem of brucellossis control, recommended to the full committee that the fiscal 1961 figure of $15,477,000 be raised to $20 million.

Much progress has been made in this area, and it is interesting to observe that 24 of our States are now classified as being free of brucellosis, with the New England States being counted among these. There remain, however, 26 States scattered throughout our country that are not brucellosis free, these representing areas in which every effort should be made to reduce the incidence of brucellosis. Such an effort would, indeed, be a progressive one, proceeding as it were in the desirable direction of brucellosis eradication.

In consideration of this, I respectfully recommend that this committee give serious consideration to endorsement of such increased figure as is recommended by the House Committee on Agriculture for brucellosis control.

In making reference to the Farmers Home Administration, I would like to say that I have some familiarity with this program's operation. In my experience I have found this program to operate in accord with high standards of efficiency, and I am convinced that it performs a vital service for the American farmer and contributes greatly to the dynamics of American agriculture.

I am advised by Department of Agriculture officials that applications for fiscal 1960 under this loan program are in such volume as to require a resort to what is, in effect, a $20 million contingency fund previously established by the Congress. In this regard, I would like to say that in an effort to accommodate these increased demands the Department of Agriculture has already petitioned the Bureau of the Budget to release these funds. It is my understanding that the Bureau of the Budget has approved a release of $10 million in such funds, at the same time advising the Department to request further release in the event of further need.

It appears, then, that the contingency fund provided for fiscal 1960 will become substantially depleted—if not exhausted—in the course of attending the increased loan needs of our farmers. And because there is every indication that this accelerated farmer borrowing activity will continue, there is a real

need for reestablishing the contingency fund in order to insure an efficient operation of this loan program in the fiscal 1961 period. I would therefore like to recommend to this committee that it extend its approval to the establishment of a $20 million contingency fund for the fiscal 1961 program. This would provide a reserve designed to assure maximum efficiency in accommodating applications for FHA loans and enable the Farmers Home Administration to proceed with confidence in the coming fiscal year.

I would also like to point out that in the fiscal 1961 budget the Bureau of the Budget recommended as follows: "New direct loan and administrative expenses of the Farmers Home Administration are proposed in an amount equal to estimated collection on outstanding loans."

This is, of course, an administrative determination and stands in conflict with the desirable type of lending program that is designed to meet needs.

Through the years this committee has approved appropriations for the Farmers Home Administration on a line-item basis, this type of approach operating to meet the needs of this lending program. I recommend that this committee continue to effect appropriations on such a line-item basis.

I would like to remind the members of this committee that the House Committee on Agriculture is presently giving consideration to H.R. 7628 (the Allott-Cooley bill) which, in effect, establishes a revolving fund for the operations of the Farmers Home Administration. Under this plan, those amounts of money collected on loans would flow—not as they now do back into the Treasury—but into a revolving fund, thus being available for further lending. Too, appropriations would be made only to the extent that the revolving fund proved deficient in satisfying needs.

Although I cannot prophesy the disposition of this legislation during the current congressional session, I will say that the bill has rather substantial support with congressional Members and has not been objected to by the Bureau of the Budget. In my mind this sort of legislative approach is far superior to the administrative approach in handling appropriations for the activities of the Farmers Home Administration.

Mr. Chairman, under the provisions of the fiscal 1961 budget, the sum of $361,783,000 has been recommended for the conservation reserve program, this representing an increase of $26,783,000 over the fiscal 1960 figure of $335 million. I support this budget recommendation, for it will serve to advance the operation of a highly beneficial program.

The farmers of Maine have responded wholeheartedly to this program, an approach designed to accomplish the dual benefits of controlling agricultural surpluses and preserving the fertility of our soil for the future. Currently, in Maine, there are 2,900 farms enrolled in the conservation reserve program, with 1,600 having been placed in the program during the 2-year period of 1959–60 alone.

The following statistics serve to reveal the dynamic nature of the conservation reserve program as it is operating in the State of Maine today: Contracts: 2,965; contract acres: 135,086; contracts whole farms: 2,478; acres whole farms: 118,480; acres seeded: 34,188; and acres for trees: 17,149.

Under the Agricultural Marketing Service payments to States are recommended in the budget at $1,195,000. It is under this program that payments are made on a matching-fund base to States and territorial marketing agencies, in this way endeavoring to coordinate the efforts of the Department of Agriculture, individual farmers, and private firms and agencies in the development of efficient marketing methods.

Last year, in appearing before this committee, I recommended that funds for this purpose be increased in the sum of $440,000, such an increase being designed to resolve the multiple problems currently existing in the field of marketing. I am again requesting that this committee seriously consider increasing the amount provided for in the budget, thereby bringing the Federal effort more in tune with that which many States are making to resolve the complex problems of marketing. In my State of Maine, for instance, funds for dealing with marketing problems are provided by the various agricultural industries through programs of self-imposed taxation, this being particularly true in the case of the potato, the poultry, and the blueberry industries. In addition, the State of Maine shoulders its share of the expenses related to the search for more efficient programs of marketing.

Under the Agricultural Marketing Service there is a variety of information gathering and reporting services available to the farmer. These services are

invaluable aids to the farmer, keeping him informed on marketing conditions and other aspects of agriculture related to his interests.

In consideration of the fact that an expansion of markets is considered to be a vital factor in effecting a solution to the present-day farm problem, there appears every justification for effecting reasonable increases in appropriations for these market-expanding activities.

Mr. Chairman, it is disturbing to note that the budget provision for the school lunch program calls for a reduction of $3,657,248. This program being designed to provide our schoolchildren with highly nutritional foods also carries the corollary benefit to the farmer of relieving price-depressing surpluses. I would suggest that this committee give its serious attention to determining whether or not the recommended appropriation is sufficient to carry out with effectiveness the objectives of this program.

The budget also provides for a $3 million increase in the special milk program. In this regard I commend to the committee's attention the fact that early this year the House of Representatives passed legislation which increased the authorized maximum expenditure for the fiscal years 1960 and 1961 under the special milk program. This legislation permits the use of funds to $85 million for each of the next 2 fiscal years, representing an increase of $4 million over the $81 million originally authorized for fiscal 1961. This legislation also provides for reference of this matter to the House Committee on Appropriations, your committee to determine whether or not the $4 million increase concerned is ample.

It is encouraging to observe that the budget recommends some increases in a number of highly worthwhile agricultural activities. Under Agricultural Research Service there are increases of $237,800 for meat inspection, $4,000 for gypsy moth control, and $2,700 for golden nematode control.

Payments to States for agricultural experiment station research are increased by $1 million. The work being done in the experiment stations throughout our country is making a superb contribution to American agriculture, and the work done at this laboratory level has contributed in no small way to making the American farmer more productive than any other tiller of the soil throughout the world. The experiment station at the University of Maine in my State plays an important part in this research program, continuously conducting experiments designed to promote good for agriculture.

As new approaches to agriculture are developed in the experiment stations ,so are they projected from the laboratory to the farmer's field through the Federal Extension Service. In the budget an increase of $2,865,000 is provided for payments to States for cooperative agricultural extension work, an increase of $150,120 for administration and coordination, and an amount identical to the fiscal 1960 period ($2,491,307) for penalty mail.

Mr. Chairman, I wish to state that I stand in support of these increases.

The budget for this year includes an amount approximately the same as that appropriated last year for carrying out inspection under the Poultry Products Inspection Act.

It is unfortunate that the fiscal 1960 appropriation was not sufficient to provide inspection for all activities made subject to this act. Owing to a lack of funds, the Department of Agriculture limited its inspection activities to the slaughtering process, being unable to inspect those operations which were classified as "furthering processing." Such processing includes cooking operations, processing of turkey and chicken into pies, TV dinners, turkey logs, and other similar products, and plants engaged in such processing were unable to secure inspection services under the Poultry Products Inspection Act.

This is a matter of importance to both the industries concerned and to the consuming public. I respectfully urge that this committee approve an increase of $1 million over and above the amount recommended in the budget for this purpose, thereby enabling the Department of Agriculture to proceed with inspection in those plants that are engaged in "further processing" as related to poultry products.

For the Soil Conservation Service there is a provision in the budget for a $2,485,000 increase. Soil and water management are carried out under this Service, this being a vital function as related to agriculture. There remains much to be done in this area, not only in my State of Maine but in many of the other States in the Union, and the increase suggested in the budget will make a material contribution toward advancing this highly essential activity.

The 1961 budget recommends additional research appropriations, particularly for utilization research. Under this program studies are carried out on farm production, marketing, home economics, and forestry, with substantial increases in appropriations having been effected over the last 7 years to advance this program.

An expansion of markets is vitally essential to today's agriculture, markets that can come into being through the development of new uses for agricultural products. The work being carried out under the utilization research program can move a long way in the direction of providing solutions for some of the many problems with which agriculture is confronted today, and I respectfully request that this committee move to support a dynamic and far-reaching research program.

I have a particular interest in the rural development program, for Washington County in Maine's Third Congressional District is presently participating in this effort to create more and better opportunities both at the farm and the industry levels.

I would like to say that since Washington County entered this program in 1956, considerable progress has been made in analyzing county problems and setting up programs to meet county needs.

In effect, the rural development program is designed to discover new approaches to old problems, and it is now operating in about 200 counties in major areas throughout the United States. It represents a well-organized effort for devising long-range and practical solutions for the populations of rural areas, and as such is deserving of strong support.

Mr. Chairman, this concludes my testimony, and I wish to express my deep appreciation for having this opportunity of presenting my views to the members of this committee.

Mr. McINTIRE. To conserve your time, I have about four points that I wanted to touch on, not that these are to be considered in any more importance than the others, but I did want to conserve time by doing just that.

I want to express my appreciation of the courtesy of this committee the other day in connection with a constituent of mine who is here to appear on the appropriation relative to the agricultural conservation program, and also your kindness when I was given the opportunity the other day to introduce some folks who are interested in breeding programs, in potatoes and onions.

I would like to support the testimony which was presented by that group Friday of last week.

There are a few points here that I will just briefly touch on and with the rest of my statement in the record. It has come to my attention in view of the fact that I serve on the House Committee of Agriculture, a fact that you gentlemen are familiar with, and we have done a good deal of work in connection with Public Law 480. During the consideration of this legislation in the 1st session of the 86th Congress I was particularly interested that we try to set forth in the record and in the legislation specific set-asides of funds under title I that would be used for market development work in foreign countries where there was opportunity for market development. I think that we have demonstrated some capability in this field, particularly with poultry products in West Germany, which is an outstanding example. I am sure that there are equal opportunities in the area of fruits and some vegetables, and also wheat and other products.

Mr. HORAN. Are you talking now about currencies that flow out of our transactions under Public Law 480?

Mr. McINTIRE. Yes, I am.

Mr. HORAN. Our former colleague, Cliff Hope, was here and testified for an hour on that.

Mr. McIntire. I am so happy to know about that, Mr. Horan, because I think I share what I am sure was Mr. Hope's concern that there needs to be some clarification of what was intended by the Congress in relation to the 5 percent figure that we put in.

I am bringing this to your attention, as others have, I am sure, with the thought that you give it your usual careful consideration and see if there is an opportunity to set it forth clearly in your report on this bill, on this appropriation bill, the position of your committee, which I am hopeful is in accord with the objective of our legislative committee on agriculture.

I recognize that 5 percent is probably too high under some of these agreements. It wasn't our intention that it would be an arbitrary 5 percent, but up to this figure, so that we could have some funds here. But there seems to be an interpretation or an intent on the part of the Bureau of the Budget that this would simply be a residual item, and this I wanted particularly to bring to your attention.

The second item is that relating to increase in appropriation on the brucellosis program. The Subcommittee of the House Committee on Agriculture on Dairy and Poultry have reported a bill recently recommending an increase in this area, and I am sure that you, Mr. Marshall, are thoroughly familiar with what I have in mind. It seems to me that we need to do a good job as quickly as it can be done constructively in cleaning up brucellosis.

My third point is in relation to Farmers Home Administration. I have followed, as have you gentlemen, the work of Farmers Home Administration, and I think that a very good job, administratively, is being done in the lending of the funds and in the supervision of the program, the collection of the funds.

I noted with concern the statement of the Bureau of the Budget in their recommendations for 1961, and I quote:

> New direct loan and administrative expenses of the Farmers Home Administration are proposed in an amount equal to estimated collection on outstanding loans.

I would urge that the committee follow its usual practice of line-item appropriation for direct lending. This, in my opinion, is proposing something in the framework of a revolving fund, but it is limited to the money being—the money being limited to that which comes in and not related to need. And I think we have got to recognize that there has been an increase in requirements of lending under Farmers Home Administration program.

The $20 million contingency fund which your subcommittee wisely set up, in my opinion, will be used this year, and I would seriously recommend the continuation of the program of this contingency fund. But I would call to your attention that we have before the House Committee on Agriculture H.R. 7628, introduced by our chairman, Mr. Cooley.

This legislation proposes some revolving funds, and I would strongly urge this committee to appropriate for the 1961 budget on the line-item appropriation, and I am hopeful that our legislative committee will process the legislation before us at this time, and I think it is far better procedure to set up revolving funds on the basis of legislation rather than to do it under the suggestion of the Bureau of the Budget in this instance.

The fourth point which I would like to call to your attention, particularly, in addition to what I have included in my complete statement, is related to the Poultry Products Inspection Act. It was my pleasure to work with Congressman John Watts of Kentucky in the development in the hearings and the marking up of this act, and I would call you attention to the fact that under this legislation the final and complete implementation of it must go into effect June 30, 1960. I think that the administrative folks in the Department of Agriculture, in the Poultry Branch, have done a very commendable job in getting this legislation underway. We realize that it was a substantial program and required a tremendous amount of careful study and staffing in setting up the personnel and the administrative procedures, and in order to get into the initial stages of inspection they set aside the inspection of processed meats like meats that are in pies and canned poultry, meats, and things of that sort.

Of course, the inspection is carried on at the dressing plant. But not carried on at the point where these meats are assembled and put into these products.

Mr. HORAN. Mr. Chairman, on that subject could I see if my thinking is straight on that now?

Do I understand that as of this date—I have not studied this as completely as perhaps I should have—that they are doing a pretty good job at the slaughtering stage of the poultry? That most of our difficulty comes from the processing later on of poultry that has already been inspected?

Mr. MCINTIRE. It is my understanding, Mr. Horan, that the job of providing inspection service at the dressing plants is done, it is completely covered, but there was a reservation made in setting up this program that they would not go into the inspection of the poultry meats used in these processed products until the last stage of the implementation of the act.

Now, this stage must be implemented in the next fiscal year, and there is a question of whether or not the appropriation as recommended by the Bureau of the Budget will be adequate to provide the additional staffing to cover the balance of the area in which the act had its basic application.

This will require, I am advised, about $1 million more in order to bring this inspection service into the full area which the act covers.

Mr. HORAN. Mr. Chairman, I don't want to take too much time because I know we have quite a list of our colleagues, but this strikes me as being double inspection in some ways. I just wonder if any thought has been given to it by those of you who are authors of the original bill, whether you have given any thought to any procedure that might result in certifying any poultry meats that have been already inspected at the dressing stage, or the slaughtering stage, so that there might be—some procedure so that they might be processed again in pies and into eviscerated and packaged as cut-up poultry. I understand now that they have to put the word "exempt" on there when they sell it in the food stores, isn't that right?

Mr. MCINTIRE. Exempt, yes.

Mr. HORAN. They have to put the word "exempt" on in the plant.

Mr. MCINTIRE. That is my understanding in the matter of those products which have been prepared from poultry meats.

I think you have a very good point, Mr. Horan. The problem comes—this act, of course, is intended to assure the consumer that they are getting wholesome meat, now. If the making of these poultry processed products were in the same plant, and things of that sort, I think there would be no trouble. But, of course, they are not, in fact, in many instances. They are transported to some other facility.

Mr. HORAN. No. I have had complaints from plants in my State where—I am under the impression, at least, the entire activity goes on, from the bringing in of the live birds until they are prepared for interstate shipments as processed or eviscerated packages.

Mr. MCINTIRE. Are these eviscerated birds sold frozen or fresh?

Mr. HORAN. I couldn't answer that. I assume that they are sold frozen, but I couldn't answer that.

Mr. MCINTIRE. It would be my understanding—and I would stand corrected—that what we are concerned about here is not the product which is eviscerated and sold fresh or cut up; we are concerned here with an inspection of the wholesomeness of the poultry products which go into the manufacturing of TV dinners, chicken pies, but a processed product, which is offered for sale.

Mr. HORAN. I am unclear on it. I have listened to the testimony. I haven't made any investigation, but it does strike me that there is a possible field for a followup on the part of your committee to check what is being done, how the program is working. At least, I would suggest field trips.

Mr. MCINTIRE. I might say that we have this type of a situation at hand, if I understand it correctly; that it was entirely within the framework of the PoultryInspection Act, as it was initially enacted, extending the authority to go over on a portion of the inspection area, I mean the area of jurisdiction, until this final date; that legislatively and administratively the Department is under a mandate to provide inspection for the balance of the area covered by the bill, and we will have to watch this matter a bit closely because if there aren't sufficient funds in the opinion of the Department and the committee, then we may have to provide some legislative relief until we can give the area closer examination, if the present law is not as it should be, because they are under a mandate to provide it.

Mr. MARSHALL. We thank you for coming before the committee and giving us the benefit of your views.

Mr. HORAN. I want to also express my appreciation at having Mr. McIntire come before this committee. While we work at different ends of the committee work that has to do directly with agriculture in America, we should be complementary in our activities, and I want to express my appreciation for having one who is close to the work on the Agriculture Committee come here and share his counsel with us.

Mr. MCINTIRE. Thank you very kindly.

WITNESS

HON. CARL D. PERKINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Mr. NATCHER. I would like to present to the members of the committee at this time my friend and colleague, Representative Carl D. Perkins, of the seventh district of Kentucky.

Carl Perkins all thorugh the years has been a stanch and loyal advocate of all matters pertaining to agriculture and to our American farmer. At this time I am glad to present Mr. Perkins—and you may proceed, Mr. Perkins, on the matter that you have before the committee.

Mr. PERKINS. Thank you, Mr. Natcher, and gentlemen of the committee.

In addition to my own prepared remarks, I want to submit for the record a letter from Mr. Henry Collinsworth, manager of the Federal Land Bank Association of Catlettsburg, Ky., along with a list of the professional personnel that are available in each county of this eastern Kentucky district, which I feel illustrates the needs and shortcomings of the current soil conservation program. In other words, I am asking for more money.

Mr. NATCHER. Without objection, the request is granted.

(The letter referred to is as follows:)

FEDERAL LAND BANK ASSOCIATION OF CATLETTSBURG,
Catlettsburg, Ky., February 25, 1960.

Hon. CARL D. PERKINS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: You will note that seven county districts in my territory do not have a full-time soil conservationist. Menifee County district is served on a half-time basis along with Montgomery County district, which is not in my territory. You will note further that Elliott County which has two soil conservationists is the pilot rural development county in the Ashland trade area which presently has a crash program.

Seven of these county soil conservation districts do not have a conservation aid.

Experience tells us that in these counties with small amount of conservation work to do, we urgently need one soil conservationist and one full-time aid. In such county soil conservation districts as Lawrence, Elliott, Morgan, Greenup, Magoffin, Carter, and Rowan, we sorely need two soil conservationists and two full-time aids.

We are far short of the number of soil scientists to make soil surveys. The job of making soil surveys for our people will take 30 years with present manpower. The job needs to be completed in 10 years or less.

Since our Federal land bank office is located in Boyd County and it is being served presently, along with Greenup County, by one soil conservationist and one conservation aid, I made a check of all of the counties in my territory and was surprised to find the shortage of Soil Conservation Service people to fulfill the tremendous need of our eastern Kentucky. I think this shortage of help is a major contributing factor to our low-income situation.

I am enclosing two copies of what I found in my territory and would like for you to file one along with this letter in the record of the Subcommittee on Agricultural Appropriations and also one with the Senate committee should you so desire.

Best wishes to you and yours.

HENRY COLLINSWORTH, *Manager.*

Present assistance from the Soil Conservation Service to soil conservation districts

KENTUCKY

County soil conservation districts	Professional assistance		Conservation aid assistance	County soil conservation districts	Professional assistance		Conservation aid assistance
	Soil conservationist	Soil scientist			Soil conservationist	Soil scientist	
Rowan	1	⅛	½	Morgan	1	⅛	⅛
Carter	1	⅛	½	Elliott [1]	2	⅛	0
Boyd	½	⅛	½	Menifee	½	⅛	⅛
Greenup	½	⅛	½	Wolfe	1	⅛	½
Lawrence	1	⅛	½	Lee	½	⅛	½
Martin	½	⅛	½	Owsley	½	⅛	½
Johnson	½	⅛	½	Breathitt	1	⅛	0
Floyd	1	⅛	0	Perry	1	⅛	0
Pike	1	⅛	0	Knott	1	⅛	0
Magoffin	1	⅛	⅛	Letcher	1	⅛	0

[1] RD pilot county.

You will note that 7 soil conservation districts do not have an aid and that 13 have only the half-time services of a conservation aid. Experience tells us that we need a full-time aid and a full-time soil conservationist in the county districts which have a smaller amount of conservation work to do. In such county districts as Lawrence, Elliott, Morgan, Greenup, Carter, Rowan, and Magoffin we need two soil conservationists and two aids per county district.

We are far short of help from soil scientists furnished by the Soil Conservation Service. The job of making soil surveys, with present manpower, will take 30 years. We need the job finished in no more than 10 years.

Mr. PERKINS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

Mr. NATCHER. Without objection, it is so ordered.

We are delighted to have you before the committee at this time.

Any questions?

Mr. MARSHALL. May I join with you in saying that I appreciate serving with my colleague from the State of Kentucky. It so happens that he and I came to Congress the same year. I value him as one of my very best friends.

Mr. HORAN. I want to join in those sentiments, Mr. Chairman.

Mr. PERKINS. One of the tragic phases of our history has been the exploitation of our natural resources. For almost 300 years in the development of this country, forests were cut down and burned in order to make way for cropland. While some of this was necessary, too much of it was on rolling land which rapidly became wasteland.

Not only were the forests destroyed, but the carpet of leaves, which served as nature's reservoir not only storing a substantial portion of the rainfall but also decreasing the runoff and the evaporation on the rolling hills that were covered by trees, was forever destroyed.

Our forefathers could scarcely realize that there was a limit to our natural resources or that the scarcity of water would ever become a problem. The first national action to conserve our natural resources was taken by President Theodore Roosevelt, who established a national policy of conservation. Public support for this policy developed slowly and it was not until the days of the second Roosevelt that a really effective field program was developed. We now have such a program of reforestation and water conservation, but there is still a long way to go. It is my considered opinion that there should

be no limit on the support of this program. This is not something that can be completed this year or next year, but a continuous process that must go on for an indefinite period. Appropriations should be increased as rapidly as our financial resources will permit.

I also submit the 1959 Annual Report of the Rowan County Soil Conservation District, Morehead, Ky. I feel that these two statements express the needs of the program more eloquently than anything I may be able to say. I urge you to increase the appropriation for soil and water conservation including adequate funds for a reforestation program.

(The annual report is as follows:)

1959 ANNUAL REPORT, ROWAN COUNTY SOIL CONSERVATION DISTRICT, MOREHEAD, KY.

To the cooperators of Rowan County Soil Conservation District, we, your supervisors, offer this report:

These last two growing seasons have shown you how important the control and conservation of water is to your farm operations. Those drainage structures, such as sod waterways, diversion ditches, tile and open drains, saved many crops for you. When the rain kept coming down; when you couldn't get in the fields for day after day; when the tobacco and corn drowned out in fields, you thought, could take anything, and after counting up your losses, you decided to do something about it. To take care of this excess water when it comes, ou built 6,000 feet of diversion channels, 8,724 feet of open ditches, and installed 72½ acres of sod waterways in 1959.

This last season proved that we can have too little as well as too much water. You were shown that you must give thought to conservation of water as well as attempting to control it. When those little rivulets dried up and no more rain came, your stock would have suffered if you had not had the supply of water stored in the pounds and reservoirs you have on your farms. Some of your crops on your rolling land would not have produced so well, had not those terraces slowed the little runoff we had, and gave it a chance to sink in the soil where the plants could absorb it. In 1959, you built 60 ponds and constructed 3,200 feet of terraces.

It is good to know you are recognizing how serious these water problems are and are doing something about them. If we could control the runoff and have stored water to use, as needed, half the farm difficulties would be solved. We never have a growing season in this part of Kentucky that is ideal. At times we have more water than the soil can absorb or it goes away too quickly, carrying a good portion of the lifegiving topsoil with it. During other periods, when no precipitation falls, ponds took care of the livestock and if irirgation facilities are available, can give that thirsty tobacco patch a much-needed drink.

Since the largest crop covering the most acres in Rowan County is timber, it behooves your district supervisors to give this considerable attention. About 92,250 acres of woodland in the district are privately owned. You cooperators pay taxes on most of this. Of course, some is held by absentee owners. You are giving these woodlands better care but there is yet room for improvement. Someone was responsible for the 32 fires that burned over 168 acres of this land. Burning plant beds on a dry, windy day is an invitation to disaster. You used better judgment when you set 158,600 trees and had 13½ million board feet of timber marked for timber stand improvement.

The number of livestock on your farms has been steadily increasing for several years. Since the crop and pasture land in the district remains at about 35,000 acres, you cannot expect to expand the grassland coverage. To take care of the greater number of livestock, you have to have more and better forage. To do this you have to give these crops better treatment. This past year you seeded 1,400 acres by approved practices.

Thirty-nine more farmers became cooperators last year, 24 asked for basic plans, 13 requested revision of existing plans, 60 holders of basic plans asked for more assistance. This interest in conservation clearly shows that more and more farmers are realizing that conservation pays off. Not only are you asking for technical assistance, but you are applying the recommended practices. Five of you, Burl Moore, Tillman Jones, Glennis Fraley, William Perkins, and Willie H. Caudill earned and received master conservationist awards.

The supervisors annual workshop for this area was held on the campus of Morehead State College in March. Supervisors from all over the area were present and many district problems were discussed. These meetings are of great value to the different districts.

In June, the annual conservation workshop for teachers was held on the campus. Thirty teachers registered for the course. These teachers can do a better job in the schoolroom after they have had this class. Conservation is such a vital necessity that it deserves the interest of everyone. The best way to impress the people about the seriousness of the need for better care of the soil that produces the most of our food, clothing, and shelter is to teach the young people in the schools. Your district again assisted with the workshop.

The amount of permanent-type practices being done in the district requires much heavy equipment. This type machinery is subject to lots of wear and doesn't last too long. To keep up with the workload these tractors and dozers have to be replaced. Your district, with the aid of the Division of Soil and Water Resources, was instrumental in bringing two more pieces of heavy equipment into the district in 1959. These have continued to help with your requests and get your work done without too much delay.

Your district again had a part in Rogation Week and Soil Stewardship Sunday. Ministers were contacted, literature passed on, and good participation received. We are only the stewards of the soil and should show our appreciation by acting in good faith and do all we can to give credit where credit belongs.

Again your supervisors sponsored the soil judging contests in both 4-H and FFA classes. Plaques were awarded to the winners in each division. These boys are doing excellent work in these projects.

Two hundred and six entries were received in the Courier-Journal Louisville Times soil conservation essay contests. Your supervisors have sponsored these each year since their inauguration. We have always supplemented the papers' first prize with a second and third. Considerable research work is done by the entrants and teachers are giving assistance on the subject. We are always glad to have our favorite topic discussed in schools.

Your supervisors have always tried to be fair and impartial with each question brought before them. We are truly sorry that incidents over which we had no control came up. If at any time you have problems you would like to talk over, we would be glad to discuss these at any of our meetings.

We wish to thank Rowan County fiscal court, extension Service, Morehead State College, Forest Service, Division of Forestry, Soil Conservation Service, Rowan County News, radio station WMOR, and the many other institutions, implement dealers, and individuals for their valuable cooperation and assistance that made this report possible.

LELAND S. HALL,
Chairman, Rowan County Soil Conservation District.

ENTOMOLOGICAL LABORATORY, GAINESVILLE, FLA.

WITNESS

HON. D. R. (BILLY) MATTHEWS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. MARSHALL. We will be in order. We will be very pleased at this time to hear from our good friend and able colleague, Congressman Matthews, who served on the Committee on Agriculture and is rendering an outstanding service to the farm people of this country.

Mr. MATTHEWS. Mr. Chairman, thank you so much. I greatly appreciate the privilege of appearing before you today to request the item which I understand has been recommended by the Secretary of Agriculture in the amount of $900,000, which is proposed by the Department of Agriculture for the building of an entomological laboratory in Gainesville, Fla., which is my home city and the site of the University of Florida.

It is my understanding that after very careful consideration, the Department of Agriculture feels that this great laboratory would provide the maximum service if it were located on the campus of a land-grant college.

Land has been provided for this laboratory on the campus of the University of Florida, which is one of our land-grant colleges. The land is located only a few hundred yards from our medical center and scientific equipment and personnel will be available for the use of the entomological laboratory.

The land is also close to cobalt, which is of vital necessity to the laboratory in their experimentations. The land which the University of Florida has provided for the laboratory is also convenient to the central offices of the Florida State Experimental Stations and to the teaching facilities of the College of Agriculture at the University of Florida.

The people of Gainesville and the staff of the University of Florida will welcome this great laboratory with open arms. The Gainesville Chamber of Commerce entertained about 30 of the personnel of the laboratory a few weeks ago, and made every effort to show these fine people how happy we would be to have them in our midst.

I don't believe there would be any problem at all of getting the housing necessary for the personnel. In fact, I know that ample housing is readily available. I know that this great committee is familiar with the research that has been done by the entomological laboratory in the past and which will be done in the future, provided they get the facilities that they need.

I earnestly and prayerfully hope that the $900,000 item for this purpose is approved and that construction may be started in the immediate future on the campus of the University of Florida.

Thank you.

Mr. MARSHALL. Thank you very much for your usual excellent statements. It is always a pleasure to have you come before this committee.

Mr. MATTHEWS. Thank you, sir.

I would be delighted to answer any questions if the committee has any.

Mr. HORAN. I think we have gone into this item quite fully in the regular hearings, Mr. Matthews, and it is fully before the committee. We appreciate you being here.

Mr. MATTHEWS. Thank you.

CHEYENNE HORTICULTURAL FIELD STATION

WITNESS

HON. KEITH THOMSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WYOMING

Mr. MARSHALL. At this time the committee will be pleased to hear our colleague and member of our Committee on Appropriations, Congressman Keith Thomson, of Wyoming, who has a statement he wishes to make.

You may proceed in any way you wish.

Mr. THOMSON. Mr. Chairman, and members of the committee, thank you for giving me the opportunity to appear before you and presenting some testimony in a matter that is vital to the State of Wyoming, because I represent Wyoming in the House as a Member at Large—which involves some 97,000 square miles—it takes some time to became familiar with each Government installation and its requirements, and at the same time to take care of all other matters which are the responsibility of each of us who serves as a U.S. Representative.

Thus, it was only last summer after the proposal to discontinue certain research stations that I really went into the problem that the Cheyenne Horticultural Field Station now faces. I am most disturbed about it.

I am going to depart from this and summarize it for you.

The work here that is carried on is most important to the high western plains area. This station is one that has been established for many years and it is involved in basic research in adaptation of plants to that altitude and particularly as far as windbreaks and trees are concerned.

Now, you people have had so many of this Great Plains program before you in the way of the expansion, cost of wind erosion and that sort of thing, and I need not belabor what problems are involved.

This station has made a great contribution in that regard and now—last year—the proposal was made, as you know, to discontinue a number of these research stations.

Well, I can agree that we should emphasize in our research the utilization, that sort of thing, of agricultural products, not to concentrate upon production when it comes to fertilizer and things like that, but as far as our basic research is concerned, in the same sense as Bureau of Mines conducts basic research in metals and mining and petroleum and other products, why we must move forward if we are going to take care of the future.

So, as a result, I would urge the committee to follow the same practice they did last year, and I want to congratulate you on that when you recommended in your committee report and the House adopted your action of going forward with these basic research stations of which Cheyenne is one.

I made a thorough check of this activity and just what should be done to really make the type of program it should be. I refer to page 256 of this year's committee hearings in which Dr. Byerly stated, in discussing Cheyenne, that it has a fairly productive history, under rather difficult circumstances. It has never had adequate financial support to make this a fully productive laboratory.

The statement is again made that it hasn't had adequate financial support in recent years. What happened here is it just got held to the same budget last year, the year before and so on, while inflation went around it.

I made a thorough check of this, and I am convinced that an additional $60,000 should be added to the amount it has been receiving in the past, in order to adequately take care of the research into windbreaks and other basic research endeavors. This is the amount of funds Dr. B. T. Shaw, Administrator of the Agricultural Research Services estimated would be required.

Further, I have checked back with Dr. A. C. Hildreth, Superintendent and Head of Research at Cheyenne, or was for 29 years. He is truly an outstanding man in his field, and as a matter of fact I think it was Afghanistan he was sent to for a couple of years in order to get them going, because of the similarity of conditions there with the State of Wyoming. He is now the Director of the Denver Botanic Gardens in Denver, Colo.

I felt very strongly about this after I contacted him, and he sent me a letter about the costs and what the program should be. It ties in and it will be attached to the statement which I am submitting to be printed at length in the record.

Mr. MARSHALL. If there is no objection, that statement will be made a part of the record.

(The statement referred to is as follows:)

DENVER BOTANIC GARDENS,
January 1, 1960.

Hon. KEITH THOMSON,
House of Representatives, Washington, D.C.

DEAR MR. THOMSON: Your letter of August 22 showed a surprising and gratifying interest in the Cheyenne Horticultural Field Station. You asked me to furnish you certain data about the work of the station which I regret I cannot do, because the files are not now availble to me. I am certain, however, that the Department of Agriculture can supply on request all the information you wish.

The research program of the station got underway during the great depression. The work was divided into four different categories according to the kind of horticultural plants involved. These were: (1) Vegetable crops, (2) fruits, (3) tree windbreaks, and (4) ornamental plants. Because of the national emphasis at that time on home food production (in subsistence gardens, etc.), the horticultural plants used for food were given top priority in our research program. The order of importance of these four categories was considered as listed above.

The intervening 30 years have brought considerable changes in Great Plains economy and meanwhile much of the research needed on vegetable crops in the central Great Plains region has already been done by the Cheyenne Horticultural Field Station and by various State agricultural experiment stations. Consequently, the order of importance of the four categories of research, in my opinion, should now be: (1) Tree windbreaks, (2) ornamental plants, (3) fruits, and (4) vegetable crops, and this was the trend during the last few years I was at the station. I shall discuss the needs for research in each category.

1. Research on tree windbreaks.—Lack of trees is the outstanding characteristic of the Great Plains. Without trees for protection, Plains cities and towns, rural homesteads, livestock, and crops are exposed to the cold blast of winter and the searing winds of summer. Wind causes snowdrifts which block farmsteads, highways, corrals, and railroads. It damages crops and blows soil from cultivated fields. Tree windbreaks are a first essential to living on the Plains.

Since the earliest settlements, Plains dwellers have tried to grow trees. Most of their attempts were discouraging failures because Plains conditions are so different from those of other places where man has grown trees. For over a hundred years governments—territorial, State or Federal—have given financial aid to treegrowing on the Plains. In the aggregate this has cost many millions of dollars and the expenditures are still continuing. The U.S. Department of Agriculture through its various agencies now has several such programs and the Department of the Interior is also doing treeplanting for game protection. State governments are matching Federal funds on certain of these projects and also have treeplanting programs of their own.

All these Plains tree-planting programs have been launched without adequate research. If you had attended conferences with men conducting some of these programs, as I have, you would realize how great is their need for basic facts which only experimental research can give. Millions for tree planting but hardly a cent for research which could insure success of such plantings seems to be the national policy.

The deficiency of proven facts and principles concerning Plains tree growing leaves the American public wide open to the scheme of self-appointed do-gooders who want to solve all the problems of the Plains by planting trees. It is about time for one of them to break out with another tree-planting scheme. Unfortunately, the people versed in the growing of trees on the Plains do not have sufficient scientific data either to prove or to disprove fantastic claims of such promoters.

The amount of research work now in progress on Plains tree growing is pitifully small. The U.S. Forest Service in cooperation with the University of Nebraska is doing some work at Lincoln, Nebr. The Agricultural Research Service has three stations doing tree research in the western part of the Great Plains. These are the Northern Great Plains Field Station, Mandan, N. Dak.; the Cheyenne Horticultural Field Station, Cheyenne, Wyo., and the Southern Great Plains Field Station, Woodward, Okla. From the beginning these stations have had inadequate appropriations for the job they were expected to do. But despite this deficiency all three stations have made significant contributions to the knowledge of tree culture under Plains conditions. All workers at these stations are conscious of the need for expanding their research programs and are discouraged by their failure to get funds for the undertaking, or even for maintaining research projects already underway. The situation has grown steadily worse since World War II, because of inflation without compensating increases in allotments. The station at Cheyenne now has less funds for such work than it had in 1930.

About 2 years ago, research men of the three Plains stations met and drew up plans for research on tree windbreaks. I believe these were called "A Comprehensive Program of Windbreak Research for the Great Plains." I suggest that you ask the Agricultural Research Service for this report. The proposed program included all three stations. Most of the projects would have to be carried on at each of the three stations because of the climatic differences between the three Great Plains regions—northern, central, and southern. Certain of the projects, however, would need to be carried on at only one location because the results would have universal applicability. An example would be studies on the effect of windbreaks on wind velocity. Eventually such research would save the Government many times the cost and would also insure better results from the money spent on tree plantings. Teaming up with Congressmen from other Plains States, particularly those from North Dakota and Oklahoma, might get the job done for all three stations.

2. Research on ornamental plants.—Anyone who has tried landscaping his home grounds on the Great Plains knows the need for more and better kinds of ornamental plants adapted to the peculiarities of Plains soil and climate. Better trees, shrubs, and flowers are needed for developing our parks, cemeteries, roadsides, and grounds around public buildings and for beautifying the homes, both rural and urban, that are springing up during this period of prosperity. Our Western Plains was the last great region of the United States to be settled by the white man. It has, therefore, had the shortest time in which to develop its horticulture. Moreover, our soils and climate are so different from those of other parts of the country that it has been impossible to transplant the horticulture of the older States to our area. We have had to start from scratch.

At the Cheyenne Horticultural Field Station, some rather remarkable advances have been made in finding or breeding better ornamental plants and in developing better methods of growing them under Plains conditions. But this is only a sample of what could be accomplished with better financed research programs. The only prospect for such research in the foreseeable future will be the Federal and State agricultural experiment stations. If such stations are unable to do the work our horticulture will be set back indefinitely.

Certainly no research program that the Department of Agriculture might undertake would have greater popularity than one on ornamental plants, because they directly concern so many people. The shifts that have occurred in our national population should be reflected in the service rendered by our governmental agencies. The Department of Agriculture, once considered as existing only for the benefit of the farmer and stockman, must now pay more attention to the 90-odd percent of our population that is not agricultural. Research programs on plants that directly serve both rural and urban people are not very common.

I recommend that the ornamental plant research program of the Cheyenne Horticultural Field Station be continued along the same lines as in the past; i.e. plant introduction, selection and breeding, together with studies on propa-

gation and culture. However, all these phases of the work should be both expanded and intensified. The sooner such research work can be completed the sooner the people living on the Plains can enjoy a fully developed horticulture. We are already far behind other parts of the country in this respect and we need to catch up.

3. Research on fruits.—The Plains do not promise to be a great commercial fruit-producing area but considerable fruit can be grown for home consumption and for local market. The pleasure of having fruits fresh from the garden is worth striving for. Already the Cheyenne station has made important strides in this direction by developing hybrids between the wild Rocky Mountain strawberry and the cultivated sorts. These hybrids retain the hardiness and flavor of the native form, combined with the size of the cultivated varieties. Research now in progress at the station promises also to produce hardy prunes, sweet cherries, peaches, and raspberries for the Cheyenne climate. This work should be continued and expanded. There have already been assembled there large collections of parental material for breeding such fruits and the conditions are ideal for testing and selection for hardiness.

4. Research on vegetable crops.—Much research with vegetable crops was done during the early years of the station at Cheyenne. Results have already been published indicating the kinds and varieties adapted to culture both on dry land and under irrigation. Work also was done on the methods of culture and on storage of the product. In general, these studies were sufficient for the needs at the time they were completed. However, new varieties are introduced to the trade every year and these should be evaluated as to their adaptability to Plains conditions. In fact this is a never-ending job.

When certain crops were found unsuitable for culture in the region an attempt was made to breed varieties that were adapted. Much breeding work was done with tomatoes, squash, and pumpkins. These are necessarily long-term programs and lack of funds after the war slowed down progress. Early varieties of each of these crops were developed and released for general culture. However, from material on hand better varieties can undoubtedly be developed with a few more years of work. Breeding and selection with this material should be continued until the full possibilities are realized.

This gives a general idea of what I think should be the research program of the Cheyenne Horticultural Field Station for the next few years and the justifications for such work. During all the years I spent at that station I was never asked to submit a budget nor did I ever see the budget proposed for our station until after it had been submitted to Congress. Often I did not know how much money had been allotted to the station until several months of the fiscal year had passed. You can see from this that I have no budget figures to offer you, based on previous years.

In my opinion the funds of that station should be increased to about three times the present figure. This would make a total allotment of about $225,000. It would perhaps be better if the increase was made in steps of say $50,000 additional each year, taking 3 years to reach the figure of $225,000. It takes time to assemble personnel and equipment for a research program. As to the distribution of such an allotment I feel that the present figure of about $75,000 allotted to the station would be enough for general operation and maintenance and also for the limited research programs proposed for fruits and vegetables. The additional funds indicated should be devoted to the research projects on windbreaks and on ornamental plants. If inflation continues these estimates should be increased accordingly.

I realize that it is not always possible to obtain and use Government funds in the most logical and efficient manner. It might be better to aim for the high figure the first year rather than to do it stepwise. Anyway I think the target I have set is reasonable and defensible. This is more than I could say for the present station allotment.

If I can be of further service to you please let me know.

Sincerely yours,

A. C. HILDRETH.

Mr. THOMSON. I just emphasize that this is key work, the first as to the development of trees that will furnish this windbreak that is so vitally needed in our particular area; second, adaptation of fruits and vegetables, which isn't a question of taking away from the market someplace else, it is a question of letting a farmer or a person living

in many small towns such as we have, raise crops, fresh crops, which they use themselves. If they don't get it, it is denied to their diet.

Then, ornamental plants are as a byproduct I looked into. It is not only important to Wyoming, it is important to all areas of the country at this high altitude.

In addition to the letter from Dr. Hildreth, I also have a letter from Dr. Shaw and another statement attached to my statement that I would like to have included therewith.

Mr. MARSHALL. Without objection, they will be made a part of the record.

(The material referred to follows:)

DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE,
Washington, D.C., September 22, 1959.

Hon. KEITH THOMSON,
House of Representatives.

DEAR CONGRESSMAN THOMSON: Your letter of August 22, 1959, addressed to the director of our Cheyenne Horticultural Field Station, Cheyenne, Wyo., has been referred to this office for reply.

Research has been conducted for many years at the Cheyenne Station on species of trees and shrubs suitable for farm windbreaks and for ornamental use in both urban and rural plantings in the Great Plains area: on methods of planting and growing such species under different conditions and for different purposes; and on species and varieties of fruits, vegetables, and ornamentals adapted to conditions of the Plains. New varieties of horticultural crops have been introduced for use in this and other regions.

Much information has been learned from these studies as to species that are suitable for growing in windbreaks in different situations, singly and in association or mixture with other species, and how they should be grown. Considerable work remains to be done on the evaluation, analysis, and interpretation of results obtained with large numbers of cooperative test plantings for windbreak use over the area and on the development of practical recommendations for farmers, ranchers, and urban agencies and dwellers. Research is also needed on the effects of windbreaks on crop growth, yield, and crop quality in different situations.

Funds allocated to the research program on windbreaks have not changed appreciably over the past several years, and increased operational costs have limited this work.

An increase of approximately $60,000 would permit more efficient conduct of present work and initiation of new work at Cheyenne. However, because of climatic differences, it is considerad essential to work simultaneously on related problems in the northern and southern Great Plains areas, and additional funds would also be needed for such locations. We are not able to provide such support from available funds without discontinuing or curtailing going research of similar importance in other areas of our research program.

The Department is receiving an increasing number of requests for additional research on agricultural problems and at the same time we must recognize the compelling need to hold Federal expenditures at the lowest possible level. We are making every effort to meet the needs for additional research of high priority as fast as our resources permit.

Your interest in these problems is appreciated.

Sincerely,

B. T. SHAW, *Administrator.*

THE CHEYENNE HORTICULTURAL FIELD STATION

CURRENT PROGRAM AND ACCOMPLISHMENTS

Research carried on at the Cheyenne Horticultural Field Station has been concerned largely with horticultural crops, including tree species used for windbreaks. When the station was first established in 1930 there was a demand for information on varieties of fruits, vegetables, and ornamental plants that could be grown in the severe climatic conditions that exist in the Central Plains region. Important environmental factors are summer drought and winter cold.

Studies were made on the adaptation and cultural requirements of fruits, such as apples, pears, plums, and other stone fruits, strawberries, and bush fruits. The principal vegetables were tomatoes, peppers, melons, and squash. The research on nonfruit trees was directed largely toward those evergreen and deciduous species that could be adapted to windbreak use. Attention was also given to developing flowering trees, shrubs, and perennials for home use on the ranches or in urban areas.

Plant materials were collected from the arid southwest and in the high mountains of the west and Mexico and planted on the station. In addition, material from other parts of the world introduced by the U.S. Department of Agriculture is assembled at the Cheyenne Station. New varieties of fruits and vegetables and herbaceous ornamentals were developed by breeding. Experiments in tree planting, spacing and management were conducted on the station and test plantings for observation were made at various locations in six States of the Central Plains region.

Some of the significant accomplishments are as follows:

(1) Seven new varieties of strawberry, all extremely cold hardy, have been developed by breeding and released to nurserymen for propagation and planting in the region. This cold-hardy material will serve as a source of germ plasm for breeding work in other regions.

(2) Three new tomatoes adapted to home gardens and for commercial use in canning have been released.

(3) Varieties of squash have been made available.

(4) Twenty-one new flowering ornamentals have been released for propagation and testing.

(5) Fruit varieties have been evaluated for adaptation to the region and information obtained on cold hardiness of varieties and species.

(6) Information has been obtained on the species of trees suitable for windbreak uses and recommendations have been made to ranchers. Test plantings made with cooperators in nearby States have been evaluated for survival under varying environmental conditions.

(7) Research has developed rabbit repellants needed to prevent woody plant damage in winter.

(8) The station has served as a center for information on culture and management of horticultural plants, including mulching, weed control, and spacing for best growth to minimize damage from snow coverage.

(9) One of the outstanding accomplishments has been the basic research on genetics of horticultural crops.

(10) Results of the work at the station have been made available through publications. Visitors from urban and rural areas in Wyoming and nearby States visit the station for personal observation and study of plant materials.

WORK THAT CAN BE DONE AT THE STATION

The facilities of the Cheyenne Station built up during the years that it has been in operation are in good condition. Greenhouses and irrigated land areas are available for research. Much information has been obtained on tree fruits and the plantings made for cultural studies can be reduced. Similarly vegetable breeding can be curtailed.

Much additional information, however, is needed on windbreaks. The first phase of the work on windbreaks, that is, what trees and shrubs make effective windbreaks, largely has been completed. To those working with windbreaks on the Great Plains, it has long been apparent that other phases of windbreak work should be under way. Attached is a comprehensive program of research on windbreaks proposed for the Great Plains region. Many of the research projects outlined in this program could be carried on at the Cheyenne Station.

The station, suitably located in the Central Plains, could serve as a center for maintaining hardy plants, and would be a good place to make additional studies on cold hardiness. It is also a place where introduced plants that might prove of value as new crops could be studied. Many flowering ornamentals that have been useful in other regions have been developed at this station.

A Comprehensive Program of Research on Windbreaks Proposed for the Great Plains Region

I. Development and Improvement of Windbreaks

A. Plant material

As a result of extensive tests of plants by ARS Field Stations at Mandan, N. Dak., Cheyenne, Wyo., and Woodward, Okla., fairly satisfactory species of trees and shrubs have been found for windbreak plantings in the different parts of the Great Plains region. But like all agricultural plants, windbreak material can be improved. The need for improving windbreak plants is great and the possibilities for improvement are good. A windbreak planting may stand for 40 years or more and, in the aggregate, it represents a considerable investment in land and labor. It is, therefore, important that the best possible materials be employed for its establishment. There is need to continue the search for additional species suitable for windbreak plantings because there is always the possibility that some new disease or pest will render present windbreak species useless. This is now actually happening to the old, reliable box elder in the eastern part of the Dakotas. A recent outbreak of some virus disease, or more probably insect infestation, is affecting growth to an extent that this species no longer can be recommended.

1. Suggested research projects

(*a*) Continue the search for new species of both American and foreign origin suitable for windbreaks. Test under both dry-land and irrigation in various parts of the Great Plains.

(*b*) Find geographic races of presently employed windbreak species that will be better adapted to certain areas and conditions of the Great Plains than are the races now being grown.

(*c*) Continue selecting superior individuals from the species now growing in Plains windbreak plantings, selection to be based on winter hardiness, drought resistance, rapid growth-rate, density, form, resistance to breakage by wind, snow and ice and resistance to attacks of insects and diseases.

(*d*) Make progeny tests of each individual selection to determine whether the desirable characteristics of the parent tree are transmitted to its offspring. Tests should be made with trees grown from self-pollinations if the selected parent tree is self-fertile. Otherwise, the tests should be made with trees resulting from cross-pollinations, using pollen from selected male parents.

(*e*) Establish seed orchards of the superior strains that have been progeny-tested to serve as sources of seed for nurserymen growing trees for plains windbreak planting. These orchards must be isolated from other trees of the same species or genus, except for species naturally self-pollinated (e.g. locusts). Seed orchards should be located in areas best suited for seed production, regardless of where the progeny are to be grown.

(*f*) Breed trees and shrubs specially for Great Plains windbreak plantings, crossing genera, species, and strains.

(*g*) Develop F_1 hybrid windbreak trees which make faster growth due to heterosis.

B. Practices in development and management of windbreaks

Considerable research work has already been done on practices for producing windbreak plants and for establishing and maintaining windbreak plantings. Already practices are known by which windbreaks can be grown with reasonable success on the Plains wherever soil conditions are suitable for tree growth. But just as cultural practices for field and orchard crops are always undergoing study and improvement, so is there need for continual research aimed at improving practices used in developing and maintaining windbreaks. Better practices will be possible as new tillage machinery is developed, new chemicals become available for weed control, new hormones influencing propagation and growth are found and new facts are discovered regarding soil water conservation, soil management, and the maintenance of soil fertility under Great Plains conditions. Research will be needed to determine the application of all such advancements to windbreak material and to the establishment and maintenance of windbreaks on the Great Plains.

1. Suggested research projects

a. Nursery practices:

(1) Develop seed treatments to hasten germination of seed of certain windbreak trees and shrubs.

(2) Determine the value of commercial fertilizers on growth rate of seedlings in the nursery and on their survival and growth after transplanting.

(3) Determine the value of growth-promoting hormones in hastening the development of nursery stock of windbreak species.

(4) Continue studies on production of nursery stock in containers.

(*a*) Compare container-grown versus bare-root stock of windbreak conifers as to survival and growth after transplanting.

(*b*) Compare container-grown versus bare-root stock of broadleafed species which are difficult to transplant.

(*c*) Determine the best type of container to use for each species of windbreak stock.

(*d*) Determine the best size of container to use for each species of windbreak stock.

(*e*) Determine for each species the best size of nursery stock to use for planting in containers.

(*f*) Determine the best soil mixture or other medium to use for growing stock in containers, considering survival and growth of the stock after transplanting and the weight as a factor in the cost of transporting the finished container-grown stock from nursery to planting site.

b. Planting practices:

(1) Compare different kinds of planting machines as to their speed and ease of operation and their efficiency in planting as indicated by subsequent survival and growth of the planted stock.

(2) Develop or adapt planters for planting container-grown stock.

(3) Test "sandwich" type of containers for planting.

(4) Test various sizes and types of plastic containers for shipping nursery stock, both broadleafed and coniferous.

(5) Test plastic covers as means of protecting both broadleafed and coniferous trees after planting. In case individual plastic bags prove satisfactory as containers for shipping, it is possible that the bags in which the stock is shipped would make effective covers for protecting the transplants.

(6) Test various coatings as means of increasing survival of newly planted windbreak stock by reducing transpiration.

(7) Test different types of "starter solutions" for both broadleafed and coniferous plants, considering survival and growth after planting.

(8) Determine the best size of container-grown stock of each windbreak species for planting, considering survival and growth after planting.

(9) Study the survival and subsequent growth of various windbreak species planted at various dates, with a view to extending the season for windbreak planting. Both bare-root and container-grown stock should be used and various ways of protecting the newly planted stock should be tried.

c. Cultural practices:

(1) Compare effects of new windbreak tillage implements set at different depth on—

(*a*) Weed control.

(*b*) Soil erosion.

(*c*) Moisture penetration of soil.

(*d*) Benefit or damage to tree roots.

(2) Determine the value of various fertilizers on both coniferous and broadleafed species in windbreaks.

(3) Determine the possibilities of weed control in windbreaks by herbicides.

(4) Determine the tolerance of each windbreak species to various herbicides.

(5) Determine the value of cover crops and green manure crops in irrigated windbreaks.

(6) Determine the effects of various rejuvenation treatments in old windbreaks.

(*a*) Replanting.

(*b*) Underplanting.

(*c*) Thinning.

(*d*) Fertilizing.

(*e*) Weed control by mechanical and chemical means.

(7) Determine the value of growth-promoting chemicals as a means of speeding up growth of slow-growing windbreak species.

d. Pest control practices:

(1) Determine methods of preventing rabbit, mouse, gopher, and porcupine damage to both coniferous and broadleafed windbreak species.

(2) Determine methods of controlling various borers in windbreak species.

e. Pruning practices:

(1) Determine effect of pruning back tops of certain tree species to induce denser growth.

(2) Determine the value of cutting back certain trees and shrubs nearly to the ground in order to induce a denser growth at the base.

(3) Determine the effects of pruning back lateral branches to induce a denser type of growth in the windbreak.

(4) Determine the effect of cutting back near the ground of leggy old broadleafed shrub rows as a rejuvenation treatment.

(5) Determine the value of a continuous system of rejuvenation pruning on broadleafed shrub rows, in which one or more old shoots are cut back to the ground every year or two and new sprouts are left to renew the top. This is the system recommended for pruning bush fruits such as currants and gooseberries and also for ornamental shrubs.

C. Fundamental studies concerned with windbreak production

For some time it has been evident that studies are needed on windbreaks concerned with matters other than what will grow in the climate of the Great Plains and how it should be grown. Fundamental facts are needed regarding the relationship of windbreak plants to the less obvious environmental characteristics of the Plains. These include the effects of soil salinity on various windbreak species, the resistance of the different species to iron-deficiency chlorosis in alkaline soils, the influence of different sites and soils on windbreak survival and development. Because the nature of the root system of a tree is all important in collecting moisture from semiarid soils, a knowledge of the kind of root systems developed by windbreak species in the different soil types is desirable. Plants are known to have different mechanisms by which they withstand drought. We need to know the mechanism or combination of mechanisms by means of which each windbreak species manages to survive under seimarid conditions. Facts on these technical matters are necessary to an understanding of the behavior of trees observed in windbreaks and for predicting their response to soils or other environmental conditions.

1. Suggested research projects

(*a*) Physiological studies:

(1) Using tank culture and different concentrations of the principal salts found in saline soils, determine the tolerance of windbreak species to various salt concentrations.

(2) Under controlled conditions, determine whether the anions and cations of the principal salts found in the saline soils of the Great Plains have specific toxicity to the different windbreak species.

(3) Under controlled conditions, determine the susceptibility of various species of trees and shrubs to iron-deficiency chlorosis induced by soils of different degrees of alkalinity.

(4) Devise laboratory tests for drought tolerance of trees and shrubs that can be completed in a short time to replace the field tests that now require about 25 years.

(5) Determine the mechanism of drought resistance of the various windbreak species and the relative tolerance of species to artificially induced droughts.

(*b*) Ecological studies:

(1) Compare sites of good windbreaks and poor windbreaks over a wide range of territory and conditions. Determine for each principal part of the Great Plains what are the conditions of site that are favorable to the growth and survival of windbreak species and what ones are detrimental.

(2) Study the soils under good windbreaks and those under poor windbreaks. Determine, if possible, for each principal area of the Great Plains, what soil characteristics, both physical and chemical, are favorable for the various windbreak species and what ones are unfavorable.

II. THE INFLUENCE OF WINDBREAKS ON WIND

A. Effects of windbreaks on wind

Wind tunnel studies of airplanes are always checked by test pilots in actual test flight. The field windbreak studies here proposed should be considered as "test flights" to check the wind tunnel results obtained by Malina at California Institute of Technology, and by Zingg and coworkers at Kansas Agricultural College. Such studies would serve also as checks on all other studies that have been conducted on the effects of field windbreaks on wind. It is hoped, however, that the suggested studies would be made with more adaptable artificial windbreaks, a greater number of tree windbreaks of various types and with better wind measuring equipment than employed in previous experiments.

1. Suggested research projects

(*a*) Using artificial field windbreaks capable of great flexibility as regards the most important windbreak characteristics, determine the wind velocity—

(1) At various distances from the windbreak on both windward and leeward sides.

(2) At various heights within the area of influence of the windbreak and on both the windward and leeward sides.

(3) In unobstructed areas outside the zone of influence of the windbreak.

as influenced by——

(1) Height of the windbreak.
(2) Density of the windbreak.
(3) Number of rows in the windbreak.
(4) Spacing of rows in the windbreak.
(5) Shape of the windbreak (arrangement of species).
(6) Strip windbreaks as contrasted with solid plantings.
(7) Spacing of strips.

(*b*) Using three windbreaks of various—

(1) Heights.
(2) Densities.
(3) Row spacings.
(4) Species compositions.
(5) Arrangements of species in the windbreak.
(6) Distances between strips in strip windbreaks.

determine the effects on wind velocity in all the positions indicated under (*a*) (1) to (3), inclusive. This is essentially a test to determine how nearly the data obtained with artificial windbreaks can be applied to the effects produced by living tree windbreaks.

(*c*) At each wind velocity recording station, record also barometric pressure, temperature, and relative humidity.

(*d*) Using small weather balloons inflated with hydrogen to exactly atmospheric pressure at the time of the experiment, made luminous for clear photography and traced by movie cameras, study the windflow lines and turbulence caused by both artificial and living tree windbreaks of—

(1) Different heights.
(2) Different densities.
(3) Different spacings.
(4) Different numbers of rows.
(5) Different shapes of windbreaks.
(6) Strips as compared with solid plantings.

III. THE INFLUENCE OF WINDBREAKS ON WIND EROSION OF SOIL, SNOW DRIFTING, AND CROP PRODUCTION

A. Wind erosion of soil

One of the beneficial effects claimed for windbreaks is the reduction or prevention of wind erosion of soil. The immediate cause of soil blowing is, of course, high wind velocity. Bates long ago studied this problem and concluded that a wind velocity of at least 25 miles an hour is required for severe wind erosion of soil. A recent Canadian report indicates that a wind velocity of 15 miles per hour will cause drifting of unprotected soil if the soil particles are small. Fundamental studies of Chepil, Woodruff, and Zingg of the Kansas Agricultural Experimental Station prove the significance of wind velocity in soil erosion by wind.

Experience of farmers who have windbreaks, as well as measurements made by various investigators, leave little doubt that tree windbreaks are effective in reducing wind velocity. It is, therefore, logical to expect that tree windbreaks will be effective in controlling soil erosion by wind.

Canadian farmers have used field windbreaks to control soil erosion, and vegetable growers in the Salinas Valley of California have used tree rows and hedges to control sand drifting. Low willows have been used in the Columbia River region to check drifting sand. Windbreaks have been used in the Midwestern States to prevent peaty soils from blowing.

Despite all theories and the uses made of windbreaks by farmers, there are practically no experimental data as to how effective windbreaks are in preventing soil erosion, the relative effectiveness of coniferous and broadleafed species, the comparative value of single and multiple row belts and many other technical points that should be known before recommendations are made regarding field windbreak plantings for controlling soil erosion.

1. Suggested research projects

(*a*) On several pieces of land having highly erosive soil, produce field windbreaks—

(1) Of both evergreen and deciduous species.

(2) Of different numbers of rows (1 to 3).

(3) With different distances between windbreaks.

(*b*) Measure at different stages in the development of the windbreaks—

(1) Their effects on wind erosion of soil at various distances from the windbreaks.

(2) Their effect on sandblasting of crops at various distances from the windbreaks.

(*c*) Compare the effectiveness of tree windbreaks in controlling wind erosion of soil wtih strip cropping, stubble mulch farming, and other means of controlling soil blowing.

(*d*) Develop cost data on tree windbreaks and compare their cost with those of other methods of controlling soil blowing. Consideration should be given to the cost of establishing and maintaining the windbreak, the number of years required for it to become effective, the number of years it will remain effective, the land occupied by the windbreak and the area of cropland sapped by the tree roots resulting in reduced crop yields.

B. Influence of windbreaks on snow

Windbreaks have been used to control snow by keeping it where it is wanted and keeping it out of places where it would be objectionable.

Canadian prairie farmers plant single-row field windbreaks of shrubs, or mixed trees and shrubs, to hold snow on fields where it adds moisture to the soil. Otherwise, the snowdrifts into coulees where it is largely lost to agriculture and where it increases spring flood hazards. Canadians use windbreaks also to accumulate snowdrifts in small reservoirs, thereby increasing the water supply on dry prairie farms.

In regions of heavy snowfall, farmers generally use windbreaks to prevent troubesome snowdrifts in feedlots, farmyards, driveways, and around buildings. Highway departments and railroad companies have employed tree windbreaks instead of snow fences to prevent drifts from forming on their roadways. Snowdrifts on lee sides of narrow windbreaks have been used to increase soil moisture for vegetable and small-fruit gardens. The Northern Great Plains Field Station recommends a farmstead windbreak designed to hold snowdrifts among the trees, thus increasing soil moisture for the benefit of the planting.

In heavy snowfall areas of our northern Great Plains, field windbreaks probably would be desirable for holding snow on farmland. Unfortunately, there are no data as to the amount of moisture that would be held by such windbreaks. On the southern Great Plains and on most of the central Great Plains, there is generally little snowfall and what falls usually disappears quickly, under the influence of bright winter sunshine and chinook winds, without adding much moisture to the soil.

Most years, snowdrifts in the central and southern Great Plains areas are rather insignificant. Perhaps once in a generation, however, a severe blizzard such as the one of 1949 in the central Great Plains and the one of 1957 on the southern Great Plains, will pile up enormous drifts that destroy livestock and endanger rural families. Farmstead windbreaks should be located so that such damage from drifts does not occur. Although there has been much discussion

as to what should be the distance between the windbreak and the feedlot or buildings, no one has published significant data on the subject.

1. Suggested research projects

(*a*) Determine what wind velocity will cause snowdrifting.

(*b*) Measure the snowdrifts accumulated by windbreaks at widely distributed locations over each of the three Great Plains regions. Sample the snow for water content and compute the moisture in terms of inches of precipitation. Sample the soil within the belt and outside the drift area for moisture in the fall and again after the drifts have disappeared in the spring. Compare data from all the areas and establish patterns for each of the three Great Plains regions.

(*c*) Following severe blizzards, measure the height and width of snowdrifts caused by windbreaks of various heights and widths. From the data, determine the distances such windbreaks should be located from feedlots, buildings, and highways to insure protection from drifts.

(*d*) Using tree windbreaks of various number of rows and heights and spaced at various distances, determine the amount of snow drifted or held on the field by each successive windbreak. Determine the moisture content of the snow and express the gain in moisture in terms of inches of precipitation. In the fall determine the soil moisture at intervals between windbreaks and also nearby but outside the sheltered area. Repeat the soil moisture determinations in spring, after the snow has disappeared. Windbreak plantings used for studies on wind erosion of soil would be ideal for these snow studies.

C. Influence of windbreaks on crops

Advocates of field windbreaks justify such plantings largely on the basis of benefit to crops. Benefits claimed include prevention of seed and seedlings from blowing out of the soil; protection of tender seedlings from sandblasting and from coverage by blowing soil; prevention of maturing crops from blowing down; and reduction of moisture loss from fields through transpiration and evaporation. The sum total of all such benefits should be measurable in terms of increased crop yields.

Various reports have been made showing increased crop yields resulting from windbreak protection. Some of these are based on farmers' testimony and some on measurements made within and without areas sheltered by windbreaks. No such study has been made in the Great Plains region. Probably none of these studies has been made in a way that would satisfy modern experts in sampling and in experimental design. In fact, an experiment designed to show the effect of windbreaks on crops is perhaps the most difficult of all field experiments to design and carry out because of the complexity of the design, the large areas involved and the long time required for the experiments.

Sound research data are needed either to prove or to disprove the many unsupported claims that are being made as to the value of field windbreaks for increasing crop yields on the Great Plains. If field windbreaks are valuable and economically feasible, the plains farmer certainly should have them to stabilize his production in this most erratic farming area of America. If they prove to be impractical on the plains, their planting should be discouraged before the Federal Government, State governments, and private farmers spend more money and effort on their establishment. In view of the emphasis that is likely to be placed on field windbreaks for the benefit of crops within the next few years, research on this subject should have top priority.

1. Suggested research projects

(*a*) Select large fields sheltered by windbreaks and having fairly uniform soil and topography. Using approved modern techniques of sampling, determine the yields of plots at intervals from the windbreak to a distance of approximately 40 times the height of the trees. Several windbreaks should be studied, some of which should run east and west and some north and south. Analyze the data and determine the distances from the windbreak in which increased yield, if any, was obtained, the area in which competition by the trees reduced crop yield and the net value of the windbreak in terms of crop yield increase.

(*b*) Select a large field of say one section, that has been regularly cropped with one type of crop. Survey the field and lay it out into plots for sampling. Take yield data from the plots for perhaps 5 years, to determine the normal variability of the plots. Then plant at least five identical field windbreaks. Space the plantings so that no windbreak will interfere with free wind move-

ment around any other windbreak or exert influence on areas sheltered by any of the other windbreaks. Continue sampling the crop, both within and without the sheltered areas, until the windbreaks develop into tight shelters. Then sample the crops annually for about 10 years.

(c) In order to obtain data without waiting for the development of a tree windbreak, artificial windbreaks arranged as indicated in No. 2 could be used. A crop sampling period should precede the erection of the windbreaks, but data on the effects could begin as soon as the windbreaks are completed. Objections might be raised (in fact, certainly will be raised) against artificial windbreaks. Of course, they are not truly representative of tree windbreaks because artificial windbreaks are not alive and therefore do not give off moisture which conceivably might influence the temperature and the transpiration and evaporation rates within the sheltered area. Neither do artificial windbreaks compete with the crops for moisture and nutrients. Nevertheless, artificial windbreaks would give valuable data on the effect of windbreaks in reducing mechnical injury to crops induced by high wind velocity. In addition, they would give some indication as to the differences in yield that may be expected at various distances from the windbreak, even though the yields themselves might be somewhat different from those that would be obtained with tree windbreaks.

(d) Using series of field windbreak plantings such as suggested for soil erosion studies under (III) (A) (1) (a), measure the influence on crop yields at various distances from the windbreaks.

(e) In the studies indicated in (a) to (d) inclusive, soil moisture determinations should be made at critical times in the sampled plots.

Mr. THOMSON. This station, under the jurisdiction of the Agricultural Research Service of the Department of Agricultre, now faces a complete shutdown of its activities under the recommendation put forth by the Department to redirect funds from farm or production research to utilization research.

I am particularly concerned about this transfer-of-funds recommendation. I can understand why it is desirable to deemphasize research into fertilizer and other research which has increased crop yields so spectacularly. This is applied research and something that specific industries have now taken over very capably.

But it is imperative that we go ahead with basic research for agriculture, as we do in other sciences and industries. The Federal Government carries on basic research in the field of minerals, under the Department of Interior's Bureau of Mines, and basic research for military purposes is carried on under the Department of Defense.

In light of this basic research, which in my opinion is a necessary and proper function of our Federal Government, basic research for agriculture must not be neglected.

The type of basic research which has been carried on at the Cheyenne Horticulture Field Station, particularly with respect to tree species used for windbreaks, goes far beyond its application to Wyoming alone. This is the only high altitude station.

It is basic research which is so important to the entire Central Plains region and has a vital effect on controlling soil erosion, providing watershed protection, and many other facets of aid to the whole region.

The need for continued research on windbreaks—at an expanded and intensified level—is plainly evident. This basic research must continue if we are to meet the needs of this region.

The Department of Agriculture recommended this same redirection, or transfer of funds from farm research to utilization research, in fiscal year 1959.

I wish to congratulate the committee on directing that this transfer not be undertaken, and I hope that the committee will see fit to make sure that such a recommendation is disallowed again, as not being in the best interests of agriculture.

The committee's report on this matter in fiscal 1959, which was printed on March 28, 1958, restored funds for production research programs proposed to be curtailed to expand utilization research.

The committee, in its report, stated that they believed it "unsound to eliminate these production research program activities in view of the valuable contributions they have made through the years, not only to those engaged in agriculture but also the people of the entire Nation."

It is my hope that the committee will again this year disallow such a transfer of funds, as they did in fiscal year 1959, and which again is recommended by the Department.

After a thorough check on this activity, I am convinced that an additional $60,000 should be added to the amount the Cheyenne Horticultural Field Station has been receiving in the past in order to adequately take care of research into windbreaks and other basic research endeavors.

This is the amount of funds that B. T. Shaw, Administrator of the Agricultural Research Service, has estimated would permit a more efficient conduct of present work and initiation of new work at Cheyenne. In his letter, which I will not take the time of the committee to read, but am attaching and making a part of this statement, Administrator Shaw points out some of the accomplishments of the Cheyenne field station during its 30 years of operation.

I would wish also to include for the record a letter from Dr. A. C. Hildreth, superintendent and head of research at the Cheyenne station for 29 years, who retired last June 30. Dr. Hildreth is one of the outstanding men in this field, and now is the director of the Denver Botanic Gardens in Denver, Colo.

The Director of the Crops Research Division, Dr. M. W. Parker, has also prepared a short statement in response to my inquiry on what has been done at the Cheyenne Horticultural Field Station, and what research can be done at this station in the future.

I would, with the committee's consent, like to have this statement incorporated in the record. This statement points out, I think, why the program should be carried forward, not only at its present level, but at a higher level.

The program at the Cheyenne station deals with fruit, vegetable, ornamental and, most importantly, windbreak research projects. The station's contribution to basic research under the climatic conditions of the Great Plains area has been vast.

The 30 years of work at the Federal horticultural station has been carried on by the Department of Agriculture under a memorandum of understanding with the city of Cheyenne. The city furnishes over 2,100 acres of land and irrigation water for the station.

The outstanding program under study at the station has been research on tree windbreaks. Much remains to be done, as essential to providing more protection to the Central Plains area's towns, farms, cities, livestock, and crops.

The program of research on windbreaks proposed for the Great Plains region, first put forward in 1958, should, in my opinion, be implemented. This project will involve the Mandan, N.D.; Woodward, Okla.; and Cheyenne, Wyo., horticultural field stations and should be, I am convinced, a high priority activity.

The Cheyenne station has also made outstanding contributions in research on fruits, vegetable crops, and ornamental plants.

In the area of fruit research, for example, the Cheyenne station has developed hybrids between the wild Rocky Mountain strawberry and the cultivated sorts.

Vegetable crops research has dealt with the kinds and varieties adapted to culture, both on dry land and under irrigation in the central plains area. As new varieties are introduced every year, the station needs to evaluate them as to their adaptability to plains conditions.

Because of the heavy demands on this committee, I do not intend to take up any more time before you.

I would sincerely urge that the committee take the necessary steps to see that the work at the Cheyenne Horticultural Field Station under the Agricultural Research Service is continued—and even expanded and intensified—in view of its contribution to basic research and the contribution the station can make in the future. Thank you.

If there are any questions, I would be happy to answer them to the best of my ability.

Mr. MARSHALL. The committee thanks you for appearing before the committee and the fine statement you made in behalf of the laboratory. We appreciate that at this time.

Now, off the record.

(Discussion off the record.)

Mr. MARSHALL. You sent over a statement earlier, and we will incorporate it in the record at this point in connection with your support of the State soil and water conservation districts. That will be placed in the record at this point without objection.

(The statement referred to is as follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 15, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture and Related Agencies,
Committee on Appropriations,
House of Representatives, Washington, D.C.

DEAR JAMIE: I am enclosing herewith a copy of a letter I have just received from the president of the Wyoming State Association of Soil and Water Conservation Districts, stating the thinking of his association with respect to certain appropriations for fiscal year 1961 which are of concern to conservation work.

I would request that this statement be included in the record of hearings before your Subcommittee on Agriculture Appropriations for 1961 fiscal year. I would also very much appreciate having the benefit of your views and your knowledge on this subject.

With best personal regards and good wishes.

Very truly yours,

KEITH THOMSON.

THE WYOMING STATE ASSOCIATION OF SOIL AND WATER CONSERVATION DISTRICTS,
Greybull, Wyo., January 31, 1960.

Representative KEITH THOMSON,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN: I note that the President recently sent to Congress his proposed budget for the Federal Government for the fiscal year of 1961. As our Representative, I am sure you will be interested in wanting to understand the thinking of our Wyoming State Association of Soil and Water Conservation Districts with respect to appropriations as they affect us.

The budget proposes a $560,000 increase for Soil Conservation Service assistance to soil conservation districts in fiscal year 1961 over 1960. The total proposed for 1961 fiscal year is $82,882,000. The additional appropriation is to provide funds for SCS contributions under the Health Insurance Act which becomes effective next July. We wish to point out to you that no provision is made for new technicians for new districts which will be formed during the 1961 year. We have four new districts in the formation status in our State of Wyoming and without an increase to SCS in Wyoming's share of the budget, it would appear doubtful that funds to staff these new districts with technicians would be available. The proposed budget does not take into consideration the general increase in the cost of conducting those services provided SCD's by the SCS.

As to watershed protection work on Public Law 566 projects, we note that a $5 million increase is called for in the new budget. Our present 1960 budget is being supplemented by a $9 million carryover from last year so the proposed budget for 1961 would appear to be a $4 million cut from this year's level of operations rather than a $5 million increase.

I am enclosing a report on the status of applications submitted under the Watershed Protection and Flood Prevention Act (Public Law 566) in Wyoming. We have 12 applications for plannnig assistance which have been approved by the State soil conservation committee. Because we share a planning party with the State of Montana, we are unable to keep abreast of the workload to be handled by this planning party. At present, it appears that under the existing arrangement, we have a 6- to 8-year planning load ahead of us.

You will note from the attached report that we have received seven new applications within the past 12 months. Some of the problems presented with these applications would indicate that the need for immediate action is critical. In view of our present backlog of applications and in the anticipation of several new applications annually, we feel that immediate steps should be taken to secure a full-time Federal planning party for Wyoming to process our watershed protection and flood prevention applications.

The proposed budget does not provide for funds to construct new soil and water conservation research facilities as were found to be necessary by the field studies made at the request of Congress during 1958. Wyoming's research needs were presented at a hearing in Rapid City, S. Dak., and are incorporated in the summary of recommendations which appear in Senate Document No. 59 under the sponsorship of Senator Carl Hayden. We feel that Congress should heed these recommendations and urge you to seek suport of an appropriation to carry out the provisions necessary that research may be directed at an accelerated rate in an intensified study which would bring about a more efficient utilization of our land and water resources.

As to the Great Plains conservation program, no provision is made for providing funds to meet farmers' and ranchers requests for assistance except as provided for by the 1960 budget. It appears that our 1960 budget of $10 million will fall short by about $5 million to meet present demands and without a substantial increase for the Great Plains conservation program in the 1961 budget, this program can only carry on at a grealty reduced and retarded rate.

You will find enclosed a report on the status of the Great Plains conservation program in Wyoming. To date we have a total of 54 contracts in process and 53 active unplanned applications. If our applications unplanned call for an average cost-sharing in the same proportion as our present contracts, it would appear that Wyoming will need close to three-fourths of a million dollars to enter into cost-sharing agreement with our farmers and ranchers now under application. Inasmuch as our presently designated eligible counties in Wyoming make up only a small portion of the Great Plains area, it becomes readily apparent that the presently proposed budget will be quite inadequate.

I am sure, Congressman, that you are interested in the conservation and preservation of our great basic resources, soil and water, and our association asks that you will help us in our Wyoming conservation work by securing adequate appropriations, designated for Wyoming's use, to carry out the intent of the various programs that we have mentioned in this letter.

I would appreciate being kept informed on these specific budget matters and any changes in suggested appropriations which may come about during the budget hearings.

Sincerely,

JAMES A. WHALEY, *State President.*

THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT (PUBLIC LAW 566) IN WYOMING

Wyoming did not have any watersheds authorized under the Flood Control Act of 1944 or under the pilot watershed program inaugurated in 1954.

It was not until passage of the Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong., as amended) in 1954 that activity in watershed work started in Wyoming. In the fall of 1955, the Lingle-Fort Laramie Soil and Water Conservation District and the Town Council of the Town of Fort Laramie submitted an application for planning assistance under Public Law 566 which later resulted in the first completed watershed work plan in Wyoming.

Actually, however, it was not until the act was amended in 1956 by the 84th Congress to bring agricultural water management under the terms of the act, that Wyoming was able to make full use of this legislation. Irrigation water shortages, the need for sediment damage reduction and limited flood control are rather common problems on a number of watersheds in this State. Public Law 566, as amended, appears to fill a need for Federal assistance on medium sized projects larger than these carried out by local groups through their own efforts and those ordinarily undertaken by the Bureau of Reclamation and other public agencies. Therefore, we now feel that there is a rather large number of watershed areas in Wyoming which can participate in the small watershed program under the terms of the amended act.

Because of our rather slow start in this program (as well as Montana's), one watershed planning party was assigned between the two States. Now that our workload and Montana's workload have increased considerably, this one planning party is unable to meet the need for planning assistance.

As of this date, the State soil conservation committee has approved 12 applications for planning assistance. The local people in eight of these watersheds are waiting for planning assistance. It would appear that as a result of sharing a planning party with Montana we now have a 6- to 8-year planning load ahead of us.

STATUS OF APPLICATIONS SUBMITTED UNDER THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT (PUBLIC LAW 566) IN WYOMING, JANUARY 26, 1960

1. *Pine Ridge-Case Bier watershed.*—Near the town of Fort Laramie in Goshen County, Wyo. A flood prevention project sponsored by the Lingle-Fort Laramie Soil & Water Conservation District and the town of Fort Laramie. All the structural measures on this watershed have been installed. Dedication was held on June 7, 1959.

No storage for irrigation is involved. Temporary floodwater detention storage amounts to 2,768 acre-feet.

2. *London Flats-Bovee watershed.*—Near Lingle in Goshen County, Wyo. A flood prevention project sponsored by the Lingle-Fort Laramie Soil & Water Conservation District. Final plan approved on January 27, 1959. The plan was revised in January 1960. Local people are now organizing a drainage district to carry out the project. Construction of structural measures is scheduled to start about July 1960.

No storage for irrigation is involved. Temporary floodwater detention storage will amount to 1,016 acre-feet.

3. *Angell Draw watershed.*—Near Lingle in Goshen County, Wyo. A flood prevention project sponsored by the North Platte Valley Soil & Water Conservation District. Final plan is in process. Final plan scheduled for completion by February 1960.

No storage for irrigation involved. Floodwater channeling and temporary floodwater detention storage of 140 acre-feet involved.

4. *Gooseberry Creek watershed.*—Near Worland in Washakie County, Wyo. Application approved by State soil conservation committee on December 5, 1958. An agricultural water management type project involving development and storage of supplemental irrigation water. Sponsored by the Washakie Soil & Water Conservation District, the Hot Springs Soil & Water Conservation District, and the Meeteetee Soil & Water Conservation District. Authorization to proceed with preparation of final plan given by Soil Conservation Service Administrator on July 28, 1959. Planning started January 11, 1960.

Involves the development of a supplemental irrigation water supply for approximately 3,000 acres and the estimated storage of about 6,000 acre-feet.

5. *Bates Creek watershed.*—Near Casper in Natrona County, Wyo. Application approved by State soil conservation committee on December 5, 1958. An agricultural water management type project involving development and storage of supplemental irrigation water. Sponsored by the Casper-Alcova Soil & Water Conservation District. When planning can start with only one joint planning party available between Montana and Wyoming is so remote that no date for starting plan development has been set.

Involves the development of a supplemental irrigation water supply for 3,500 to 7,000 acres and storage of between 8,750 and 17,500 acre-feet.

6. *Boulder Lake watershed.*—Near Pinedale in Sublette County, Wyo. Application approved by State soil conservation committee on May 20, 1959. An agricultural water management type project involving development and storage of supplemental irrigation water. Sponsored by Pinedale Soil & Water Conservation District and Boulder Irrigation District. When planning can start with only one joint Montana-Wyoming planning party available is so remote that no definite plans have been made.

Involves the development of a supplemental irrigation water supply for approximately 8,000 acres and estimated storage of about 20,000 acre-feet.

7. *Teton Creek watershed.*—Near Alta in Teton County, Wyo. Also in Teton County, Idaho. Application approved by State soil conservation committee on May 20, 1959. An agricultural water management type project involving improvement of distribution systems and development and storage of supplemental irrigation water. Sponsored by the Teton Soil & Water Conservation District in Wyoming and also by the Teton Soil & Water Conservation District in Teton County, Idaho. With only one planning party available between Montana and Wyoming, preparation of a final plan is probably at least 3 years away.

Involves improvement of distribution systems and development of a supplemental irrigation water supply for approximately 12,500 acres and estimated storage of about 3,500 acre-feet.

8. *The North Fork of the Powder River watershed.*—Near Kaycee in Johnson County, Wyo. Application approved by State soil conservation committee on August 18, 1959. An agricultural water management project involving improvement of distribution systems and development and storage of supplemental irrigation water. Sponsored by the Powder River Soil & Water Conservation District and the Lake DeSmet Soil & Water Conservation District. Sponsors will undoubtedly request that this watershed and the Middle Fork of the Powder River be planned together. Starting on the preparation of a plan is at least 3 or 4 years away.

Involves improvements in distribution systems and development of a supplemental water supply for 3,790 acres and estimated storage of 10,000 to 15,000 acre-feet.

9. *Middle Fork of the Powder River watershed.*—Near Kaycee, in Johnson and Washakie Counties, Wyo. Application approved by the State committee on January 18, 1960. An agricultural water management type project involving improvement of distibution systems and development and storage of supplemental irrigation water. Sponsored by Powder River Soil & Water Conservation District and Nowood Soil & Water Conservation District. Sponsors will undoubtedly request that this and the North Fork of the Powder River watershed be planed together.

Involves improvement of distribution systems and development of a supplemental water supply for approximately 6,000 acres and storage of an estimated 10,000 to 12,000 acre-feet.

10. *Upper North Laramie River watershed.*—Near Wheatland in Albany County, Wyo. Application approved by the State committee on January 18, 1960. An agricultural water management type project, which will have to be planned concurrently with the lower North Laramie River watershed. Sponsored by the Laramie Rivers Soil & Water Conservation District.

Involves development of a supplemental irrigation water supply for approximately 1,200 acres and estimated storage of about 1,200 acre-feet.

11. *Lower North Laramie River watershed.*—Near Wheatland in Albany and Platte Counties, Wyo. Application approved by the State committee on January 18, 1960. An agricultural water management type project which will have to be planned concurrently with the upper North Laramie River watershed. Sponsored by the Wheatland Soil & Water Conservation District and the Laramie River Soil & Water Conservation District.

Involves the improvement of distribution systems and development of a supplemental irrigation water supply for approximately 6,000 acres and estimated storage of about 5,000 acre-feet.

12. *Cache Creek watershed.*—Near Jackson in Teton County, Wyo. Application approved by the State soil and water conservation committee on January 18, 1960. A multiple-purpose flood prevention, municipal water, and agricultural water management project. Sponsored by the Teton Soil & Water Conservation District, the town of Jackson, and the Teton County Commissioners.

Will involve either floodwater detention or channeling or a combination of these.

Report on status of Great Plains conservation program, Jan. 26, 1960

Number of active unplanned applications	53
Number of contracts	370, 374
Acres covered by contracts	370, 374
Cost-share money obligated	$691, 761. 74
Average size in acres	6, 859
Average size in cost-sharing money	$12, 810. 41
Cost-sharing money for GP–1 (percent)	11. 0
Cost-sharing money for GP–5 (percent)	9. 3
Cost-sharing money for GP–1 and GP–5 (percent)	20. 3
Cost-sharing money for irrigation practices (percent)	14. 4
Original cropland in contracts is planned for reseeding (percent)	25. 2

To date, we have planned an average of about 1.3 acres of land for every acre covered by the Great Plains contract because of amount of State and federally owned land in Wyoming.

Entomology Research Laboratory, Orlando, Fla.

WITNESS

HON. SYDNEY HERLONG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. Marshall. At this time we will be pleased to hear from our able colleague, Congressman Herlong, from the State of Florida.

We appreciate your interest in agriculture in coming before this committee.

You have a statement you wish to make. You proceed however you wish.

Mr. Herlong. Thank you, sir.

My purpose in being here is to discuss with you the USDA Entomology Research Laboratory presently located in Orlando, Fla.

My dear colleague and dear friend, Congressman Matthews, has just testified requesting that this Laboratory be moved to Gainesville, Fla., the site of the land-grant college of the State of Florida.

Billy and I are good friends and we have no quarrel except for the fact that that is in my district now, and I don't want to see it moved.

I have good, sound, logical reasons for not moving it from our district.

I would like to remind the committee, first, that this is the Laboratory which developed DDT.

In our area, where this is located, it is tremendously more populated than the Gainesville area, where the Department of Agriculture chooses to—has sought or is seeking, I will say, to move it.

The need for this research facility against these insects and bugs is much more apparent in the heavily populated areas than in the more sparsely populated areas of our State.

This Orlando Laboratory is located in the central part of our State where the problem is. To move it somewhere else would increase the logistics problem theory. There is no question but that it must be moved.

I want it clearly understood now that I am not opposing the request of the Department of Agriculture for money to build a Laboratory. There must be another one built, because the location of this present Laboratory has been declared surplus, they don't have enough space to continue their work there.

But the people in my section of the State, in Orlando, have offered free of charge to the Laboratory, to the U.S. Department of Agriculture, highly desirable land which can be used for this purpose of building the new Laboratory. It won't cost them anything.

There is the problem that some 40 people who are employed at this Laboratory today already own their own homes in Orlando, and it would be necessary for them to sell their homes and move to another area.

I have letters here in the files from friends of most of them—the individuals themselves don't want to write letters because they don't want to get involved. But friends of most of them have written to me, saying that these people don't want to have to sell their homes and move.

The work of the Department of Agriculture in this field would be slowed down at least a year if they had to move to some other location. I know that it is the position of the Department of Agriculture that where they can they would like to have these Laboratories in the towns where there is a land-grant institution, and I can appreciate their reasoning behind that.

But I know, also, that in those cases where the laboratory is not located in the place where the land-grant institution is, that frequently they do much better work because they do not get into the professional atmosphere of the college town where everyone sees everything alike. There is more of an impetus on them to do more when they are separated from the land-grant institution than when they are there in the same town.

I would hope that this committee would look at the logic of leaving this institution, if you have the say-so, of leaving this institution where it is now located, rather than moving it out of my district into the district of another fine, very able Member of Congress.

Mr. MARSHALL. We thank you very much for your statement and for calling this matter to the attention of the committee.

Mr. HERLONG. It will save money to keep the work where it is and the work will progress rapidly and it will not discommode 40 or more families.

Mr. MARSHALL. We understand that.

Some of the land on which this laboratory was located was quite valuable. Do you have any idea as to how much we will receive from the sale of that land?

Mr. HERLONG. Roughly $400,000 for 20 acres of land. And that was considered too valuable to put a laboratory on it, so we offered them in exchange for that free land.

Mr. MARSHALL. Would we be able to build a laboratory for that amount of money in Orlando?

Mr. HERLONG. Yes, sir. For the $400,000 you would be able to build one. I think some $350,000 is the amount that they usually use for the purpose of constructing these laboratories in these areas, of this type.

We built the Subtropical Fruit Station Laboratory at Orlando some 8 or 10 years ago for $300,000.

There is a request from the appropriation, I believe here, of some $800,000 in this bill, $900,000.

Mr. MARSHALL. That is correct.

Mr. HERLONG. Of course, I am talking about the construction of the building. I understand, of course, there will be some extra money for equipment, in accordance with the new standards that they would require. There is $900,000 in the budget for this.

I say you can save money on that by building it with the money that you get from the sale of this property in Orlando.

Of course, I understand it wouldn't be the same money and wouldn't be earmarked, but it would go into the general fund. I understand the problem you have.

I would like to include an editorial from the Orlando Sentinel, explaining the reasons, some of the reasons why this laboratory should remain there.

Mr. MARSHALL. Without objection, that will be placed in the record at this point.

(The editorial is as follows:)

[From the Orlando Sentinel, Feb. 11, 1960]

LET'S FIGHT FOR OUR LAB

The USDA Entomology Research Laboratory in Orlando is being used as a political football.

This lab, which developed DDT and many other insecticides to protect man and beast from insect pests, has been located in Orlando since the 1930's. Wartime impetus resulted in 1942 to its expansion to its present size.

Orlando, because of its central location, climatic conditions, and the fact that it was the original site of the lab, was considered an ideal location until an underling in the USDA decided such labs should be located near land grant colleges.

So he recommended our lab be moved to Gainesville where there are no facilities, where the climate is less favorable.

The situation at present is this: Funds to move the lab are provided for in the President's new budget.

But Congress does not have to approve this part of the USDA request for funds. Congress is the final arbiter.

There is a good chance we can save our lab if enough of us will write Congressman Syd Herlong and Senators Spessard Holland and George Smathers.

Is the lab worth saving?

We think so. The fact that it has an annual payroll of $250,000 is only incidental.

In addition to the scientific achievements by the laboratory, which add to the great reputation of Orlando, it offers incentive and inspiration as well as occasional employment to young scientifically minded high school and college students.

The cooperative research projects on insect control that have been in progress for many years in central Florida would be done untold harm if the laboratory were moved.

It would mean termination of important projects between the entomology research lab and the farmers, ranchers, stockmen, dairymen, poultrymen, the county and State health departments and mosquito-control districts.

It would be many years before such programs could be developed again in another area, if indeed at all, to the extent they are here.

In addition to being set back at least a year in its important work while the move is being made, the lab would find itself able to work only a limited amount of time in Gainesville, which has the worst climate in Florida. In Orlando, lab workers are able to conduct experimental work 12 months of the year because of the ideal subtropical climate.

The Entomology Research Laboratory has become world-famous, not only for developing DDT, but also for important insect repellents such as 6–2–2 and toluamide, as well as many other outstanding developments for the Armed Forces and the civilian population.

From an insignificant start over a quarter century ago, our lab has grown so in importance that some politicians want to take it away from us.

We don't want that to happen, and we suggest central Florida citizens make their desires known to our delegation in Washington.

Mr. MARSHALL. We thank you very much for coming before our committee.

SOIL CONSERVATION PROGRAM

WITNESS

HON. JOHN J. McFALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. WHITTEN. We are glad to have with us our friend and colleague from California, Mr. McFall. We are always pleased to have him before us. We will be glad to have your statement Mr. McFall.

Mr. McFALL. Thank you very much, Mr. Chairman. I won't take much of the committee's time. I want to bring up briefly two items; one which I think you are considering today and perhaps one that you considered earlier this week. The one you considered earlier this week concerns itself with the soil conservation program which you have been very kind to in the past, and I would like to say that in California we expect to have a number of new districts formed during the present fiscal year and in the next fiscal year which you are considering in this budget, and I hope that you will add language to the bill that will permit the use of the money for some of the new soil conservation districts throughout the country.

It has been my experience that the soil conservation program is the most valuable one to the United States, and especially I would say that it is true with my district in California.

The other matter concerns itself with a possible establishment of a grain market news service at Stockton, Calif., one of the principal cities in my district. Your committee had before it members of our department, and in response to a question from Mr. Natcher there was a statement put in the record from the people downtown as to the necessity for this particular service.

I couldn't possibly give you any better explanation or reason for the service than that statement which is in the record, and I would respectfully call it to your attention as being a very fine one.

I believe there is a need for this facility. In recent years the pattern of the grain business in the West has so shifted that now 79 percent of all the grain exports go through the port of Stockton. Stockton Grain Exchange is now one of the leading exchanges in the West. The

present Federal-State Grain Market News Service in California consists of offices in San Francisco, Los Angeles, Fresno, and a seasonal office in Imperial Valley. I am told that the service would cost some $31,500. The State of California, I believe, will have money in the present budget which the legislature is considering out there now for establishment of a service by the State of California. The committee on ways and means of the assembly of the State legislature there has put some $27,000 in the budget for a grain market news service in Stockton, and I think that it will remain and be there, and the State will provide that amount of money for this service.

I am told by the people we have consulted with downtown on this thing that it is better for the Federal Government if they can go in on this on a joint basis, that it works out much better as far as the Federal interest in the service is concerned, and there would be, then, a $15,500 fund which could be matched by the money which is coming from the State of California, I have every reason to believe.

I have a statement which is in some detail which I would ask perhaps you could have it printed in the record, and then I won't add any more to it.

Mr. WHITTEN. We are glad to have that included in the record.

(The statement referred to is as follows:)

STATEMENT OF CONGRESSMAN JOHN J. MCFALL

Mr. Chairman, I appreciate the opportunity to testify today in support of an appropriation to establish a grain market news service at Stockton, Calif.

I believe there is a need for this facility. In recent years the pattern of the grain business in the West has so shifted that now 79 percent of all the grain exports go through the port of Stockton. The Stockton Grain Exchange is now one of the leading exchanges in the West.

The present Federal-State Grain Market News Service in California consists of offices in San Francisco, Los Angeles, Fresno, and a seasonal office in the Imperial Valley.

I have been told by the Agricultural Marketing Service of the U.S. Department of Agriculture that the estimated cost of providing such service in Stockton would be $31,500. The State of California would pay half of this cost. Last week a committee of the State legislature recommended inclusion of $27,000 in the California budget and we have every reason to believe the money for California's share will be available in the next fiscal year.

The request for this service originated with the Stockton Grain Exchange and I have been informed by Mr. George Eales, chairman of the market news committee of the exchange, that approximately 1 million tons of grain are handled locally in and around Stockton, representing a market value of $50 million. Most of this grain originates within a 50-mile radius of Stockton.

The shipping pattern of the grain export business, which has been greatly accelerated during the past 2 years, now shows great tonnage of grain moving from Utah, Idaho, Nevada, and Colorado for export through Stockton.

The proposed market news service therefore would be of value to both the local market and the export trade.

May I quote from a January 29, 1960 report from the Sacramento office of the Agricultural Marketing Service:

"Stockton would be strategically located to report prices paid to producers at the ranch in the northern San Joaquin and southern Sacramento Valleys, prices of inter-dealer wholesale transactions in the Stockton area, and prices paid by feed manufacturers, feeders, and other users of grain in the northern San Joaquin Valley which is a major grain-consuming area.

"Members of the industry who buy or sell grain at the trading levels mentioned indicate a need for a series of official price quotations at each listed level. Also, indications are that producers, dealers, and feed manufacturers would cooperate by making available to the bureau on a confidential basis prices paid or prices received in current transactions, quantities bought or sold at the

various price levels, and other supply and demand information of market significance.

"Incorporation of these programs into the present program would result in substantial improvement in service to the grain industry by providing the industry with more significant measurements of current price levels, price trends, and other supply and demand information."

The pattern of increased grain business in Stockton is positive and there is no indication whatsoever that Stockton's percentage of the market will diminish.

The Stockton Daily Evening Record editorially recalled the history of Stockton as a grain shipping center from the days of the paddlewheel and sailing vessels of a century ago and stated:

"The port's position is so justifiable historically and so economically practical in this day that it is hardly conceivable that Stockton's volume of grain shipping can go anywhere but up. This outlook is fully reflected in the continual movement of grain brokers and processors to California's inland port."

With these facts in mind, I urge your favorable consideration of this request.

Mr. McFall. I will shortcut some of the time the committee will have to take on this. Thank you, Mr. Chairman.

If there are any questions that the committee might want to ask——

Mr. Whitten. Thank you. I don't know that there is. We recognize the value of this type of pogram. As you can imagine, the subcommittee always has its problems with budgets before us. At this time, however, there are some places, which to me and I think to other members of the committee, appear to be somewhat wasteful. We will seek every means to find some way to cut down the cost of the operations of some of these other programs, and see if, thereby, we can find some way to meet some of the problems such as you have. We do believe very strongly in the soil conservation service, and it looks like, with the Soil Conservation Service and ACP, too, some of us of this Committee have made a career of trying to restore what the budget either cuts or fails to provide. We will do the best we can.

Mr. McFall. In closing, I would like to add my commendation to the hard work of your committee members for the many hours that you have to put in in doing this. In the past it has been my experience that you have found economy and efficiency both in the way the budget comes to the floor. Thanks very much.

Mr. Whitten. Thank you.

Los Angeles County Flood Control

WITNESS

HON. E. W. HIESTAND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Whitten. Gentlemen, we have with us our colleague and friend from California, Representative Hiestand.

Mr. Hiestand. Mr. Chairman, I have copies here of this. My statement is quite brief. It has to do with the county flood control district in southern California, the Los Angeles County Flood Control District. But it has to do with that part of the territory right above the district I represent, which comes under the direction and responsibility of the Forest Service of the Department of Agriculture, and yet it is a flood control matter. The county flood control is, as you gentlemen know, a very, very large continuing project, and we had hoped to whittle it down gradually over the years as it gets more and more completed, and we have cut it down from $16 million

down to $13 million, and so on and so forth. However, we had two very disastrous fires in the last couple of years which have denuded the watersheds and have caused some of the dams to almost fill up, requiring some added construction work above them, some check dams above them, in national forests. It is for that reason that I submit this statement, which states it very briefly, and I think it is quite self-explanatory.

In order to complete the Santa Anita watershed channel stabilization project in the proper consruction sequence and to begin a stabilization project in fire-denuded Sawpit Canyon, the appropriations for the Los Angeles River flood prevention program must be increased. The amount provided for this program in fiscal 1960 was $987,340 for the four major phases of the program which includes fire control, road stabilization, cover improvement, and channel stabilization. The amount proposed in the President's fiscal 1961 budget for this program is $784,000. It is very important that the 1961 budget amount be increased to $1,134,000 to provide funds needed for the above-mentioned channel stabilization projects.

You gentlemen have the statement.

This would provide $312,000—$276,000 working funds—which is considered the minimum required to continue the Santa Anita project as scheduled, and $147,000—$130,000 working funds—which is to match Los Angeles County Flood Control District funds to initiate a project in Sawpit Canyon. The above financing assumes that the other three phases of the program will continue at their present level.

The upstream flood control program in the Los Angeles River drainage which is being accomplished by the Department of Agriculture and the Los Angeles County Flood Control District to reduce watershed erosion resulting from flood runoff, especially that which follows the destruction of the vegetative cover by fire, is vitally important to adequate and economical flood protection for Los Angeles County. The appropriation of adequate funds to insure a continuation of construction on the Santa Anita watershed channel stabilization project, above Arcadia, is essential to the future functioning of Santa Anita Dam as a flood control and water conservation structure since its storage capacity has become greatly depleted by debris inflows. Likewise, as a result of the Monrovia fire of October 1958, the Sawpit watershed, above Monrovia, was left completely denuded and thus poses a serious threat to the flood control district's flood control and water conservation reservoir at the mouth of the canyon. In order to maintain the storage capacity of the reservoir, a channel stabilization project has been planned. The Los Angeles County Flood Control District is participating in this project to the extent of financing 50 percent of the project cost—which is $155,000 for the remainder of fiscal 1960 and matching funds for fiscal 1961.

Let me state that Los Angeles County has done throughout the years a very, very good matching job; in fact, they have put $300 million of county funds into these things, and have drawn on the Federal Government only that part which has been authorized under previous acts of Congress. This increase is called for only because of those recent disastrous fires which really tore the thing apart.

I might also add that at the other end of it, in the Forest Service we are now adopting a pretty comprehensive plan and operation of fighting fires by air tankers, and it is becoming increasingly effective.

And I have sold, I believe, the Secretary of Agriculture on a large stepping up of that program, the idea being that if we can catch those fires in the first few minutes we can actually save an awful lot of dollars in the total firefighting funds. That doesn't have to do with this committee, this subcommittee, but it does have to do with the Appropriations Committee, because you may be called upon to appropriate much less in your supplemental total firefighting funds if we get this into operation as fully as the Secretary now plans.

It took a bit of selling and a lot of experimentation over the years, but it may save us a lot of money. We do, however, need this part of the appropriation.

Mr. MARSHALL. This project is a part of these 11 watersheds that have been before this committee for several years. The estimated Federal cost of your project is 29,444,869, the total obligations through June 30, 1959, were $10,650,045, and the Budget has reduced the money available for these projects by $5 million. So we are faced with a budgetary problem in connection with all of these pilot watersheds.

Mr. HIESTAND. I can't quarrel with that reduction. I think that over the year we can further reduce it. I do think it should be specified that this part of the project does need that much improvement. It doesn't necessarily add to your total, and I am quite sure that money will be saved in the eventual firefighting fund.

Mr. MARSHALL. This committee is of the opinion that from a long-time view, it would be a saving of our resources if the work on these 11 watersheds were completed.

Mr. HIESTAND. That is correct. I concur most emphatically.

Mr. MARSHALL. We thank you very much for coming before our committee.

Mr. HORAN. Just one question. Mr. Hiestand, it is your contention, is it, that if this money is spent this year there will be no request for—that it would cut down on the request for next year?

Mr. HIESTAND. Definitely so. This is a one-time shot to complete it. By that time surely the cover crop will, with this construction, hold the water.

Mr. HORAN. We haven't marked the bill up yet, but it is rather important. I am familiar with the area. In fact, I have seen some of that black smoke in the sky. I know what you are up against.

Mr. HIESTAND. We might comment that the Angelus National Forest, which is entirely in the district I represent, might well be termed the "tinderbox of the Nation"; even the whole 12 months up into January and February; unless we have had a rainy season, it is just dynamite.

Mr. HORAN. I might say further that the chairman and I saw some of the Forest Service work up there in 1950. It was very interesting, what they are doing down there. And of course, from the top of those ranges around there we got some grasp of the importance of this to the Los Angeles area.

Mr. HIESTAND. I thank you, Mr. Chairman.

Mr. MARSHALL. Thank you. Come and see us again.

53146—60—pt. 4——28

WITNESS

HON. CLEVELAND M. BAILEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. MARSHALL. At this time the committee will be pleased to hear from our good friend and colleague, Congressman Bailey, from West Virginia. I am privileged to have Congressman Bailey as my next door neighbor. He occupies the office next to mine.

Mr. BAILEY. Neighbor, how are you.

Mr. MARSHALL. You have a statement which you would like to make?

Mr. ANDERSEN. We are always glad to see Congressman Bailey come before this subcommitee. He always offers us very conservative and good advice, and to me, he represents what is best in a Congressman. I think he is a fine gentleman.

Mr. BAILEY. Thank you, sir.

Mr. NATCHER. Mr. Chairman, if you will yield to me, I want to concur in the statements made by you and my friend and colleague, Mr. Andersen.

Mr. HORAN. Cleveland, I am not going to let this fail to be unanimous at this point. I, too, appreciate Cleveland Bailey and I consider ourselves very good friends.

Mr. MARSHALL. Since you are among friends, would you like to proceed with your statement?

Mr. BAILEY. Thank you, gentlemen.

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear before your committee to urge adequate appropriations for certain items in the 1961 budget of the Department of Agriculture. May I say, first, that I am aware of the heavy schedule always facing your committee, and I shall be as brief as possible.

Brucellosis eradication program: The budget request for the brucellosis program is another example of this administration's satisfaction in a job half done.

This year, as last year, the administration has requested $15 million for this important program. The Congress actually appropriated $16.5 million last year. As a result of the reduced level of Federal support, many States are finding themselves handicapped in their fight to erase this disease entirely. In this regard, I was happy to learn a few days ago that the Dairy Subcommittee of the Agriculture Committee favorably reported H.J. Res. 619, which recommends that appropriations for the brucellosis program be increased during the remainder of the present fiscal year to $20 million and that appropriations for succeeding years be $22 million annually.

West Virginia's appropriation was not reduced last year; however, I understand our allotment would be decreased under the present budget estimate. A reduced level of support can only mean a curtailment of the progress being achieved under this program. The level of infection in my State has been reduced to less than 1 percent of the cattle and less than 5 percent of the herds. Ten of the counties in my State already show no infection whatsoever.

In my opinion, Mr. Chairman, it is not enough that we hold this disease at a low level, when with a little more effort we can complete the job and eradicate brucellosis entirely. So far 24 States, in addition to Puerto Rico and the Virgin Islands, have attained the modified certification status, i.e., infection of less than 1 percent of the cattle and less than 5 percent of the herds. Approximately 60 percent of the counties in the Nation are so certified.

It is not very often that I find myself in a position of commending the remarks of the opposition party to my colleagues. I do so today. Permit me to direct your attention to the remarks which Senator Aiken made on the Senate floor on February 11, 1960, when he referred to the administration's brucellosis eradication program as "penny wise and pound foolish." The Senator pointed out that, at the 1959 level of Federal and State support, it would have required 6 years to achieve modified status and 5 years longer to achieve complete eradication. Under the administration's cutback program, it will take 15 years to achieve modified certified status and 6 years after that to achieve complete eradication.

At the 1959 level of Federal and State support, the total cost would have been $372,948,111, to completely eradicate from the United States by 1970 bovine tuberculosis, or undulant fever, as it is known in humans. The projected estimated cost at the 1960 level is $636,335,658—or an additional cost of 71 percent to accomplish the objectives of the program.

Mr. Chairman, I cannot refrain from quoting the good Senator's indictment of this situation when he said:

> I think this has been one of the prize examples which we have had of penny wisdom and pound foolishness, because in order to save $5 million a year over the next 5 years we are going to have an additional total cost of the difference between $636 million and $372 million. If that is not an example of poor planning and wasteful use of public funds, then I do not know what is.

I am confident that your committee will give serious consideration to the need for continuing the brucellosis eradication program at a level of funds that will permit the program to continue, and the disease be completely wiped out.

Mr. ANDERSEN. Mr. Bailey, will you yield? I thought when you read the statement that you were going to quote from a member of the Republican party, that you were going to quote from some extracts in H. Carl Andersen's remarks before this very subcommittee this year.

Mr. BAILEY. I am going to apologize that I haven't had time to read them.

Mr. ANDERSEN. I will say I agree with you 100 percent. No less than three times during these hearings of the last month and a half have I opened up this particular question with various bureaus. I think you are absolutely correct. I think it would be pennywise and pound foolish, unless we do put this up to the $20 million figure this year, and $22 million thereafter, in order that we can clean it up.

Mr. BAILEY. I want to thank Mr. Andersen. In my research for material I ran across this statement of the Senator. I am certainly positive I would have used your statement if I had known of it.

I will say to the gentleman from Minnesota that I have found this committee quite cooperative and quite reasonable on all the requests I have brought before you. I have no complaint whatever, and I

want to commend you for your attitude toward a lot of these problems.

Now we will get back to plant disease and pest control. I wish to direct your attention to the importance of providing additional funds for the program to control and eradicate pests and plant disease. It is my understanding that the budget estimate includes an increase of $504,600 for plant quarantine efforts, which will bring the appropriations for this work to $5,986,900.

A most important activity in the plant disease and pest control program concerns inspections at ports of entry to prevent the introduction from abroad of pests and plant diseases, and certification of the absence of plant pests on plants and plant products for export.

Increased foreign traffic on both planes and ships has required additional and heavier plant quarantine service. The St. Lawrence Seaway has put an extra load on this office, which will be felt more and more. Air traffic has been increasing annually from 10 percent to 20 percent. Mexican border traffic is increasing at about the same pace.

Obviously, increased foreign traffic brings more foreign pests. Last year the number of destructive pests intercepted amounted to over 25,400, as compared to 18,198 in fiscal year 1958. In other words, a serious pest was stopped at our borders on an average of once every 20 minutes during fiscal year 1959. The average the preceding year was once every 30 minutes.

The increased funds requested will permit limited strengthening of this important program, and I trust that your committee will act favorably on this item.

Cooperative Agricultural Extension Service: I cannot overemphasize the necessity of including adequate funds for the agricultural extension service.

The budget request represents a $2,865,000 increase in payments to the States for cooperative agricultural extension work. This increased amount, I understand, is earmarked for rural development work, which, as you know, is aimed at assisting disadvantaged agricultural communities in achieving a balanced farm, industry, and community development. No increase is contemplated for that phase of the program under which our land-grant colleges give instructions and demonstrations in agriculture, home economics, and related subjects. In this regard, it is my further understanding that testimony has been presented to your committee on behalf of the Association of Land-Grant Colleges, urging that this item be increased by $6 million, which would permit long overdue adjustments in the salaries of extension workers.

The average salary for a senior county agent in West Virginia is $6,349. While the national average is higher, it is a well-known fact that the salaries of extension agents are still low. None of us questions the beneficial importance and the successful experience of extension service in agriculture. As a matter of fact, my Education and Labor Committee now has before it legislation to assist the States in further developing their programs of general university extension education. This legislation, which recognizes the adult education needs of labor, industry, business, professional, and other groups, would do for all adults what the fine agricultural extension program has done for the rural farm population of this country.

I am sure you will agree with me that the agricultural extension program has played a great role in our becoming the most advanced nation in the field of agriculture. This fact, in large measure, has been possible through the efforts of dedicated extension agents.

Mr. Chairman, I trust that your committee will recommend adequate funds for all parts of this worthy program.

Agricultural conservation program: It has always been my feeling that the agricultural conservation program is perhaps the most beneficial of all the Federal programs to assist agriculture. Improved soil is one of the basic supports of a sound agricultural economy and, next to our boys and girls, the Nation's greatest asset.

This year, as last year, the administration recommends a cut of $150 million in the reduced amount under which this program has been operated. The farmer under this program pays out by far the great part of the cost, the program reaches a much greater number of acres than the CRP (conservation reserve program). In return for removing designated cropland from production and for establishing necessary conservation practices, the farmer receives an annual rental payment and cost-sharing assistance for establishment of required practices—nonetheless, the budget recommends a reduction for this program (ACP), designed to encourage conservation by sharing with farmers and ranchers the cost of carrying out approved soil building and soil- and water-conserving practices, which farmers generally would not perform to the needed extent with their own resources.

I am confident, Mr. Chairman, that your committee in recommending funds for this program will give consideration to the real service ACP has rendered in protecting our soil and water resources.

Mr. Chairman, in conclusion, I commend you and your committee for your effective efforts in steering legislation to provide the necessary funds for our various agricultural programs. I am also grateful for this opportunity to comment on the above specific items, and I respectfully request that you give them favorable consideration.

Mr. MARSHALL. Mr. Bailey, we appreciate your coming before our committee. You always give us very good support in all of these matters, and we thank you for your continuing interest in the farm people of the country.

Mr. BAILEY. I was a farm boy, myself.

Mr. MARSHALL. You show it.

Mr. BAILEY. May I add just a little bit more by saying that I think those folks who haven't had the advantage of having been born and reared on a farm have missed a hell of a lot out of life.

Thank you, gentlemen.

FLOOD PREVENTION PROGRAM

WITNESS

HON. W. R. POAGE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. WHITTEN. Gentlemen, we have with us now our colleague, Congressman Poage, of Texas, vice chairman of the Committee on Agriculture, a man whose interest in and work for agriculture is well known, not only to members of this subcommittee, but to everyone throughout the country.

We are always glad to discuss the mutual problems which you have in your committee and which this committee has, Mr. Poage. We sometimes have different approaches to the same problem and sometimes have different ideas as to which way to do things, but we always know our objective is 100 percent the same. It is a pleasure always to have you, Bob, to come and talk to us about your interest in these various programs and to help us along the route that leads to the maximum results.

Mr. POAGE. Thank you. May I say off the record——

(Discussion off the record.)

Mr. ANDERSEN. Mr. Chairman, I want to add to the kind words that you have said about Bob Poage here today. I don't think there is a better friend of the farmer in the Congress of the United States than the gentleman from Texas who is before us now.

Like you say, perhaps we do not see 100 percent eye-to-eye, but I think all of us here at least see 75 percent or 80 percent along with Mr. Poage on the subject of what is best for agriculture.

Bob, I certainly welcome you here today. I think you are a real friend of the farmer, and I welcome the opportunity today to return the courtesy you always extend to me when I come before your Committee on Agriculture.

Mr. MARSHALL. Mr. Chairman, might I say at this point that on several occasions it has been my responsibility and duty to my constituents to appear before the Committee on Agriculture. I have always observed that our colleague from Texas, Mr. Poage, is one of the hardest working members of that committee and that he has always given me the most consideration and courtesy that a person could expect from anybody.

Mr. NATCHER. Mr. Chairman, I certainly want to join with you in your commendation of my friend and colleague, Mr. Poage of Texas. Certainly, as pointed out by the other members of the subcommittee, the American farmer has no better friend in the Congress.

Mr. HORAN. Mr. Chairman, I want to share in that view. Bob has been my neighbor now for several years up in the House Office Building. I want to say this: He has been most courteous to anyone that had anything to say for the good of American agriculture, and has given them all the time that can be spared before the great committee of which he is vice chairman. We appreciate it, Bob, very much.

Mr. POAGE. Mr. Chairman and all the members of this subcommittee, I want to express my appreciation for the nice things you have said.

It comes mighty nice to hear from you folks, because I don't know anybody who is more conversant with what is going on than this committee. But it comes rather embarrassing, particularly to have any of you mention hard work, because I don't know any group in the Congress that has more hard work and does more than this subcommittee of the Appropriations Committee, because I find you are always at work. I find I do have time to come over here now and then, but you are always in session. It is very kind of you and I do appreciate it. I think we are all trying to achieve something for agriculture. I think every one of the members of this subcommittee is trying to direct our agricultural program so it will be most effective, and I think that the Agriculture Committee is trying to devise

programs that will be workable, and I think it is a very fortunate thing for the farmers of this country to have the kind of cooperation that exists between this subcommittee and the Agriculture Committee of the House.

I wish that we had that much cooperation in all other branches of our Government related to agriculture.

I came before you not to make a statement and not to make a record, although of course I realize it is proper that we do keep a record of what we say. But I came before you gentlemen to discuss with you and to get your ideas, as much as to try to give you any of mine, because in all sincerity, I know that you are very familiar with the work of the Department of Agriculture.

I would be glad to say on the record here that we are faced with a very serious situation with regard to maintaining our flood prevention program.

Our committee, as your committee, has been very much interested in the upstream flood prevention program.

Personally, I have looked upon it as the best program of its size that we have yet developed. I am not saying it has done more good than any other program, but for the dollars we have spent on it, I think it is probably the best program we have yet had.

That program is one that could very readily have blossomed into one of these billion-dollar programs. I felt, and your committee felt, and I think we were in perfect agreement, that we shouldn't start it out as a full-grown program, but we did start this program on a basis—it started, as I recall it, that we had in mind spending roughly $25 million a year for the program, with a gradual increase. As the program grew larger and required more money—I don't want to attempt to give this committee figures. I know you have more figures, more recent figures than I have, but I know that whereas we had roughly 180 projects last year underway, that we have approximately 280 such projects now, an increase of close to 50 percent within the year.

Obviously, we are reaching a point where those projects require a substantial amount of money if we are going to keep them going.

If we are not going to keep them going, we ought not to start them. I think one of the most tragic things is to build up farmer interest in these programs and then let them down with the statement that: Well, we just can't keep this thing going, we will put it off and come back here 10 years from now.

You can't maintain farmer interest that way, you don't maintain it. You don't save money in the long run doing it, because obviously the time you can get the most rights-of-way and the most given to a program is while you have lots of public interest in it. People will go through with things that they wouldn't go through a little bit later on.

So I think that it is of great importance that we keep our program moving, not at any rate of trying to double each year, but trying to keep the projects that are approved each year moving and developing.

I know the questions that are involved in the planning of these projects.

You have felt, and you have, some of you gentlemen have pointed out to me, as has the Department—well, now, do you really want to speed up this planning away ahead of our ability to construct?

And I have to say that I think it is a mistake to speed planning far ahead of the ability to carry on construction for the very reasons that I have expressed; once you have completed planning you need to move directly on, else you would lose a great deal of the value of the enthusiasm that you have built up.

Consequently, maybe we shouldn't move our planning too rapidly, but we certainly should carry on our construction.

Now, in recent years there have been areas in the United States that weren't ready to develop this program. It happens that I come from one that was and that has been getting some of the money that they would not have had, had everybody been ready to use it.

The last 2 or 3 years you have had—and you are better versed on the figures than I am—but we have had a substantial surplus carried over, an unused balance each year, a carryover from prior years. I think last year it was $91½ million.

And when we are told this year that the budget contemplates giving us $2 million more than they gave us last year—or $1¾ million, I believe is what is it, isn't it—roughly $2 million more than what it was last year, that means that we are going to have something like $7 million less money, not more money to spend. That means instead of having more money to take care of these 280 projects, we are going to have less actual money than we had to take care of the 180 last year.

Mr. ANDERSEN. You are entirely correct, Mr. Poage.

Mr. POAGE. And that is the thing, that is the problem that I know that you gentlemen are thoroughly familiar with.

Mr. ANDERSEN. If you will yield——

Mr. POAGE. Certainly.

Mr. ANDERSEN. I think it is very unfortunate, too, in regard to the 11 watersheds that we don't push them to completion and finish the job, because if we don't—Mr. Jamie Whitten and myself and Mr. Marshall and Mr. Horan have been on this subcommittee for a good many years—if we don't, we won't live to see them completed.

Mr. POAGE. Of course not.

Mr. ANDERSEN. I think Congress should at least put emphasis on them and then, as you say, also do the kind of a job we want done on the small watersheds.

Mr. POAGE. I couldn't agree with you more unless it were that I feel that when we are trying to assign priorities that we shouldn't assign a lower priority to these projects in which the people have made contributions and in which there have been local organizations established.

I wouldn't want to relegate them to a lower priority than the 11 original watersheds in which the local people simply weren't doing anything. It was all handed to them on a silver platter.

I recognize that that needs to be completed, but I would hate to complete that rapidly at the cost of refusing to go along with the people who are, themselves, contributing.

Mr. ANDERSEN. You are absolutely right, Bob. Nothing I had to say had that implication as I want to see both programs move ahead at a practical rate.

Mr. POAGE. I was authorized by the full Agriculture Committee, and I don't mean any subcommittee and I don't mean merely Demo-

crats, I mean the whole committee, by unanimous vote authorized me and asked me, when appearing before this committee, to express the views of the committee that there should be at least some means of continuing the operation of the projects that are now under operation without slowing down their progress.

Of course, that obviously means that they have got to have more money than is authorized.

Mr. WHITTEN. We are glad to have your backing and support. We are not surprised, but we are glad to have it as a matter of record.

Mr. POAGE. That is all I wanted to do.

I know you gentlemen are just as well versed on this as I am. I know there is no group around here that is better versed on it.

Mr. ANDERSEN. Mr. Poage, the thought comes to my mind that we could afford at least to put into the watersheds throughout the Nation, the 11 and the small-watershed program, at least the amount of money that we are putting, for example, into the construction of one office building here in this city.

Mr. POAGE. I should think we could. It impresses me that way.

Mr. ANDERSEN. I would think we could convince the people of America that a $65 million office building here as part of the Capitol Hill setup, is not any more important than the same amount of money to be expended in 1 year on watersheds and on soil protection throughout America.

Sometimes I think we get our thinking more or less off on a tangent. And also, Bob, when we think of what we send across to help foreign nations—the sum of $3,300 million which was appropriated last year—why that would take care of our watershed operations for 60 years.

Three billion three hundred million divided by, say, a fifty-million-dollar figure, which you and I think should be expended on our watersheds as a minimum. I think it is not too much to ask that we expend 1 part in 60 on our watersheds as we do on foreign aid.

Mr. POAGE. May I suggest to you that while it may not be worth much to you, certainly you bring that out, I can assure you it is important for about 34 members. That is the membership of our committee.

NEED FOR MAJOR WATER-SOIL RESEARCH FACILITY IN IDAHO

WITNESS

HON. GRACIE PFOST, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO

Mr. WHITTEN. For the record, we are glad to have with us, our colleague, Congresswoman Gracie Pfost of Idaho.

I think throughout the period of time she has been in the Congress, she has been before our committee each year, because of her deep interest in things having to do with agriculture.

Mrs. Pfost, you have a fine record in the Congress. But particularly have you been interested in the things that we deal with in this subcommittee and we appreciate your interest and are always glad to hear from you.

Mrs. PFOST. Thank you very much, Mr. Chairman.

Mr. ANDERSEN. I would like to join in welcoming Mrs. Pfost before our subcommittee.

Mr. HORAN. I want to say that Mrs. Pfost and I have a great deal in common. Our districts join. I do want to say that Gracie serves her district well and works very hard.

Mrs. PFOST. Thank you very much. I appreciate those kind words. It has been wonderful working with the able members of this subcommittee. I have appreciated the many courtesies you have extended to me over the years.

Mr. NATCHER. Mr. Chairman, if you would yield to me at that point, I would like to join with you and my other colleagues in their commendation of the gentlewoman from Idaho, and further say that since I have been a Member of the House, I have had a number of occasions to appear before committees upon which Mrs. Pfost serves and certainly every time I have received every consideration. I want you to know that I appreciate it.

Mrs. PFOST. That is a nice compliment, Mr. Natcher. My appreciation to you.

Mr. MARSHALL. Mr. Chairman, I would like to say that the constituents of Mrs. Pfost are very ably represented. She is always on the job and she always appears in their behalf. She continually keeps working for the benefit of the people, not only of her district, but the United States.

Mrs. PFOST. Thank you.

Mr. Chairman, and members of the committee, my name is Gracie Pfost and I am a Member of Congress from the First District, in Idaho. I want to thank the committee for the opportunity to testify today, and I am here to urge you to transfer funds contained in the President's budget request under the Agriculture Research Service, to establish a major water-soil research facility in the State of Idaho.

About a year ago the special working group appointed by the Secretary of Agriculture made an exhaustive study of facility needs for soil and water conservation for the Nation. The information gathered by this group and their recommendations are contained in Senate Document 59. Along with their report they urged that an adequate budget be made up to strengthen existing programs of soil and water research and to carry on the expanded program recommended in the report. One of the study group's recommendations was for the establishment of a major soil and water research station in the Snake River Valley in Idaho. This station would be used to carry on major soil and water research to serve the entire Northwest.

In looking over the President's budget requests for 1961, I see that no mention is made for building such a facility. The only new item of construction that I see in the 1961 budget request is for the replacement of a small laboratory that the Agriculture Department maintains at Orlando, Fla. I am here to urge, therefore, that members of the committee give serious consideration to including in the budget the necessary funds to erect this new facility in the Snake River Valley in Idaho.

The overall budget request for the Agriculture Research Service is $188,156,000. The Department envisions expenditures of $184,721,000, with some of the funds carrying over to complete projects in the next fiscal year. Out of these amounts I think it would be pos-

sible for the committee to set aside the funds needed for the Idaho project without having to add a cent to the overall budget request. As a housewife long familiar with juggling the family budget, I can say in all honesty that no budget has ever been written which could defy a small degree of fund juggling.

The Snake River Valley makes an ideal location for such a facility, and there are several locations on which such a station could be economically built. The study group appointed by the Secretary of Agriculture, in its report, suggested that the station might be built at Twin Falls, Idaho, where a small crop research station is now in operation. This station does some work on sugar beets, peas and beans, wheat, and insect control. In a way this work is carried out as an extension of research work being done at the University of Idaho in its agricultural extension programs.

I would say that Twin Falls would not necessarily be the best location for such a major research station. Parma, Idaho, in my own home county offers an excellent location possibility where a branch experiment station of the University of Idaho is located. With proper facilities, which the study group said would cost about $850,000, the station at Parma could become the kind of facility for studying water and soil problems which the States in the Northwest have been needing for some years.

Basic work done at such an experimental and scientific station would be of inestimable value in helping our farmers and ranchers in the Northeast.

The type of research that is needed was outlined by the study group. There is need, for example, to establish the effects of varying degrees of land cover and conditions of rangelands, on the rates of sediment yield from upstream watersheds. There's the basic matter of water erosion, soil management, tillage, and stripcropping. There are problems relating to irrigation—creating surface conditions that alleviate wind and water erosion.

Also, there are problems of moisture storage on rangelands, reducing the consumption of moisture by nonproductive plants, making better use of runoffs and, in fact, the whole series of drainage problems from the mountains and from rain. In addition, the Northwest region has many unique problems in soil fertility involving deficiencies of minor chemical elements.

All of these problems, and others, could be tackled by scientists working at a major research station such as was recommended for Idaho. The work would benefit thousands, both in our day and for many generations to come.

Alvin B. Benson, a vice president of the Idaho Association of Soil Conservation Districts, underlined this idea when he wrote in a letter to me that: "Our soil and our water is our life and the lives of our children and those who follow."

On his own 300-acre farm on the Snake River in Owyhee County, Idaho, he pointed out:

> We have the problems of alkali, powder soil, and underlying cap rock, which makes for poor drainage. We pump water from the Snake River into canals where seepage loss is at times a problem. We also utilize, seasonally, the runoff of Reynolds Creek, with the ensuing problems of silting, unpredictable changes in watershed, erosion and flash floods. * * *

It is in problem areas such as Mr. Benson's and multiplied by thousands of farmers in like circumstances, that a water and soil laboratory would be extremely valuable.

I want to urge again, therefore, that members of this committee give particular attention to the possibility of earmarking in the next fiscal budget request, this vitally needed facility for the Northwest. Thank you.

Mr. WHITTEN. We do thank you very much. We have tried our best to get the Department to come up with an overall plan for this. They did, at our instance, setup this study. But the study group, unfortunately, just grouped together what the various sections were interested in, in the way of research, and the Department flatly refused to recommend any part of it.

They more or less just brought it up here in a bushel basket and dumped it. So it has given us quite a problem.

We have tried as best we could to meet these problems. On the particular point that you make, we have had numerous presentations to the committee. Apparently, this increase attracted the attention of several members, and we have had several folks who would like for us to make the transfer.

I don't know what we are going to do. I do feel that we should talk to the Department and try to get some counsel as to how to do this on a basis that will give some spread to the various areas. We will have to see just what we can do.

Mrs. PFOST. Thank you, Mr. Chairman. I appreciate very much your courtesy and appreciate more than I can say the past courtesies your committee has extended to me.

RESEARCH ON WATER AND MOISTURE PROBLEMS

WITNESS

HON. BYRON JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. WHITTEN. We have next our friend and colleague, Congressman Johnson, of Colorado, before us.

We will be glad to have your general statement, Mr. Johnson. We know of your interest in agriculture during the time you have been here and we are glad to hear you discuss our mutual problems.

Mr. JOHNSON. Thank you, Mr. Chairman, and members of the committee.

I want to say that I share the committee's concern that we practice economy in Government. I was taught to believe that some Government outlays are wasteful, others are productive, some are reproductive, and still others are self-liquidating. In preparing a budget, I would reduce wasteful outlays and encourage those which are reproductive and self-liquidating.

Outlays for basic research with respect to some fundamental need are actually vital necessities in our society. I am here today to talk about research in a most vital necessity, namely water.

The Nation's population is growing rapidly. The Nation's economy is rapidly industrializing. Our industrial, commercial, and domestic consumption of water is rising rapidly. But the existing

supply of water cannot be appreciably increased, especially in the inland areas.

In the coastal areas, it may be possible that demineralization and desalinization techniques will permit supplemental water to be reclaimed from the oceans. Inland, we must learn more effective means of conservation and wise utilization of what moisture we have. As water becomes relatively scarce, it becomes all the more precious.

We in the Great Plains area are keenly conscious of this problem because we have always been at or near the margin of adequacy of water and moisture supplies.

Research we have conducted heretofore has helped us to conserve our precious water supplies and put them to better use. Certain kinds of research in forest management, aimed at improving our water supply, are now under way. We are doing research on the possibility of protecting our reservoirs against rapid evaporation.

But we need to conduct research with respect to the application of water to the soil. We need to know more than we know now about soil moisture and moisture conservation because we are well aware that such research will ultimately disclose information that will permit not only those in the Great Plains but the entire Nation to benefit from the principles of moisture conservation that will be disclosed.

Our cities are investing billions of dollars in waterworks of all sorts. The city of Denver alone is currently engaged in a $125 million program to expand its water supplies.

The Congress has voted over a billion dollars a year for public works with respect to water. It is certainly a prudent thing to request that we devote just a few million dollars to research in the field of conservation of water use. Specifically, I am here to endorse a national research center with respect to moisture conservation.

Such a center can most effectively operate in an arid or semiarid area where the controls can most easily be achieved; $3.5 million would be sufficient to build such a center and $2 million would be sufficient to operate it. In the end it would pay dividends far beyond the outlays we would be making initially.

Senate Document No. 59, a report on soil and water conservation research by a working group appointed by the Secretary of Agriculture, prepared for the Senate Appropriations Committee, spells out the Nation's needs, including the need for a moisture conservation research center.

We shall operate largely in the dark until there is a single center able to give attention to all the basic principles involved for increasing intake of water from the soil, improving the moisture retention characteristics of the soil and increasing the efficiency of soil moisture use by plants.

Such a center should be at one place or utilize as a center already in the district those trained in soil physics, soil fertility, soil chemistry, soil microbiology, agronomy, plant physiology, biochemistry, engineering, electronics, physics, physical chemistry, micrometeorology, and I would add not only statistics but hydrology.

It is our belief that the great Colorado State University at Fort Collins offers a natural center for such a moisture conservation and research center because most of the supporting personnel and facil-

ities are already on staff. And the location as the only land-grant college in the Great Plains arid area suggests its special suitability and its long reputation for research in hydrology and water conservation with respect to the application of water through irrigation to the soil.

That gives it a special backlog of experience, training, and competent personnel in this area. But some special research facilities would be neded, and some additional personnel, in order that this task be adequately performed.

The money we will save if the committee rejects this request will be an illusory savings. It will merely multiply further the cost of going greater distances to secure adequate water supplies because of inadequate knowledge with respect to water utilization.

I urge the committee to approve funds in the field of soil-water conservation research and especially funds for the creation of a moisture conservation research center.

Mr. NATCHER. Mr. Johnson, we want to thank you for your fine statement and for your appearance before our committee.

Mr. JOHNSON. I take it that you have that report?

Mr. NATCHER. Yes, sir.

Mr. JOHNSON. I had hoped to bring to the committee in the event you should be interested, Mr. George Weaver of our soil conservation districts in Colorado, and a very competent constituent of mine in this field.

If it would be agreeable to the chairman, may I file a supplemental statement which he may prepare?

Mr. NATCHER. Without objection, it is so ordered.

You ought to get that in as quickly as possible.

Mr. JOHNSON. I understand you are near the end.

Mr. NATCHER. Mr. Johnson, we will need that statement this week.

Mr. JOHNSON. Fine.

(The statement is as follows:)

FORT COLLINS, COLO., *March 23, 1960.*

Hon. BYRON L. JOHNSON,
U.S. House of Representatives.

DEAR BYRON: I wish to take this opportunity of thanking you for making your statement in behalf of funds for the establishment of a Soil Moisture Research Laboratory before the Agriculture Subcommittee of the House Appropriations Committee.

The National Association of Soil Conservation Districts, of which I am a director, is actively supporting full implementation of the research facilities program recommended in Senate Document No. 59.

As a practical matter, I consider that were this program carried out simultaneously nationwide, they could not be adequately staffed with competent research people. It appears, therefore, that this program should be implemented over a period of time.

The immediate need, and one that is really urgent, is for initiation of basic research in soil moisture conservation, probably involving wind tunnel experiments, a facility now available at Colorado State University, and of a first-class hydraulics laboratory, such as the one at Colorado State University and that of the Bureau of Reclamation at the Denver Federal Center.

In the Great Plains the Congress has recognized an urgent need for accelerated land treatment in this area by the enactment of Public Law 1021 and complementary appropriations for the Great Plains program. I consider it imperative that research applicable to Great Plains conditions be intensified immediately to accomplish the objectives of Public Law 1021.

I sincerely believe that the Fort Collins Research Center is the logical location for the major facility for the area and where much of the basic research would be done with field stations "beefed up" as needed for the applied research.

For fiscal 1961, this Moisture Conservation Research Laboratory for the Great Plains could probably get underway by a minor increase in operating funds for basic research and sufficient construction funds authorized so that immediate planning of the facility could be undertaken.

Students need to be alerted to future opportunities in moisture conservation research so as to prepare an increasing number of well-trained people for an accelerated program. An expression from the Congress authorizing the program outlined in Senate Document No. 59 would be helpful.

Sincerely,

GEORGE E. WEAVER.

Mr. JOHNSON. Now, we are also preparing, not on the same topic, for the moment a joint letter from the members of the delegation to you in support of adequate funds for grain inspection service.

We grow a very high quality wheat in our area which is in great demand overseas because it blends with the soft wheats to make a fine flour.

I attended a meeting of the Colorado Wheat Growers where English importers told us that they have not received the quality on the other end that they thought they were buying on this end.

Our inspection service has been less than adequate at our export points and we have been losing an important part of our export market.

Now, for the good of the farmer, for the good of the American taxpayer, who is holding these surpluses, for the good of the country with the balance of payments problems, needing more exports, for the good of the people overseas who ought to be able to get a high-quality grain when they order it, we in our State, on behalf of our wheat farmers and other wheat farmers, strongly urge the committee to provide adequate funds for complete grain inspection at all the points of transshipment where otherwise the grain may be slugged, dirt and low-quality stuff may get put in, bringing it down to the minimum standards and in the process destroying what had been a very fine market for a very fine product.

Mr. NATCHER. Thank you, Mr. Johnson, very much.

AGRICULTURAL CONSERVATION PROGRAM

WITNESS

HON. ED EDMONDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

We have with us at this time, our friend and colleague from Oklahoma, Congressman Ed Edmondson.

Since I have been a Member of the House, I have had the opportunity many times to witness the efforts of our friend, Ed Edmondson, in behalf of agriculture.

There is no Member of the House during the years that I have been here that has continuously fought the battle for the American farmer any more effectively than my friend Ed Edmondson.

Mr. ANDERSEN. Mr. Chairman.

Mr. NATCHER. Mr. Andersen.

Mr. ANDERSEN. I would like to join in the statement relative to Mr. Edmondson. I am particularly interested in Mr. Edmondson's testimony because he holds the seat in Congress formerly occupied by a very able and distinguished man, the late William G. Stigler.

Bill Stigler was an extremely popular man, not only on our subcommittee but among all of his colleagues in the Congress. He was a man of great personal integrity and personal ability, and even though I sat on the other side of the political aisle from him, there was no man for whom I had greater respect.

I just wanted to say for the record today that the gentleman from Oklahoma now before us, Mr. Edmondson, has followed very effectively the examples of fiine service to agriculture and to his people set by our late colleague. Like his predecessor, he is a great credit to his State and, as the record shows, a very able gentleman.

Mr. EDMONDSON. I thank the chairman and my old and dear friend from Minnesota very much, and I appreciate particularly the comments about a very dear friend of mine, Bill Stigler. I have no hope of every filling the place that he had in the hearts of his colleagues here in the House, but I certainly share the views of my good friend from Minnesota that he set an example that is an inspiration to all of us. I appreciate what has been said here on my own behalf.

Mr. Chairman, I appreciate very much this opportunity to appear before your committee. I don't believe there is any area of congressional activity affecting the domestic economy today that is more vital than the work of this subcommittee.

I know that this subcommittee includes some of the strongest friends the American farmer has in Washington today, and you have been battle tested in the fight to give the farmer a fair break. That is, every man seated at this table and member of the subcommittee.

If the farmer ever needed fighting friends, it is right now, and it is a welcome feeling to be among friends on that subject.

In the district which I represent there is very grave concern today about the budget recommendation for a reduction in the agricultural conservation program from $250 million to $100 million.

When this recommendation first came to my attention, I wrote to farm leaders all over eastern Oklahoma and asked for their comments upon it. Almost without exception, the letters received in reply, and I might add at this point that these letters came from Farm Bureau officers, from Farmers Union officials, and from men who are prominent as farmers in their community, and not organization men at all.

Almost without exception these letters advised me that the continuation of the present program was absolutely essential.

If I could go off the record again at this point, Mr. Chairman.

(Discussion off the record.)

Mr. EDMONDSON. Mr. Sam Miller of Route 1, Chouteau, Okla., wrote me that "most farmers would not be able to carry out any practices without the ACP assistance and a cut in appropriation would be a defeat toward the farm program."

Mr. Ray Thornton of Pryor, Okla., called for a strong stand against any cuts in ACP, and states that he felt "conservation of agricultural resources should be considered as a part of our defense budget much on the order of missiles and atom bombs."

Mr. Virgin Rice of Ralston, Okla., advised that he felt more money should be appropriated to this program, because "farmers are suffering now more than ever before."

Mr. Tom L. Riggs, Route 2, Inola, Okla., wrote that "any decrease in assistance to farmers would cripple this program very much and we would lose the gains that we have made in the past."

Mr. Riggs also cited the fact that a large percentage of farmers in his county are tenant farmers, "who could not afford to carry on the conservation program that they have started without some financial assistance."

Mr. Leroy M. Davis, Route 1, Miami, Okla., reported that the full $250 million for ACP is essential, or "the farmers will be forced to overcrop the soil and tear it down for bare existence."

Mr. R. C. Jones, Route 2, Coweta, Okla., recommended the full $250 million for ACP, and reported that "farmers are having the greatest problem every in trying to finance needed conservation as our net returns continue to go down."

Mr. Chairman, these replies are typical of the scores that were received in our office in support of the full $250 million appropriation, and I earnestly hope this subcommittee will recommend a continuation of the present program and the money to make this continuation possible.

I do not want to conclude this testimony without urging that the committee strengthen the financial support which has been recommended for the watershed protection program, including not only funds for a watershed research installation for Oklahoma and Texas, but the full amount required for installations and planning under this program.

As I understand it, the administration's recommended figures fall far short of meeting both the construction and planning requirements of projects under Public Law 566.

The president of our Oklahoma Association of Soil & Water Conservation Districts, Judge Lavern Fishel, advises that the recommended appropriation is "not sufficient or adequate to meet our needs," either for planning or construction.

Mr. Hershel Burrus of the State soil conservation board, basing his estimate upon figures supplied by the Department of Agriculture, advises me that an appropriation of $50 million for installations and $5 million for planning will be essential, if actual needs of the program are met.

I know that the members of this committee are better acquainted with this problem than I am, but I want to assure you of my enthusiastic support for increases in both of these areas, and strongly urge that you provide the funds which are actually needed by the farm people of our country.

Mr. ANDERSEN. Now that you have finished your statement, Mr. Edmondson, I want to say this: I believe you said that you had received a good degree of supporting evidence relative to the need for ACP from your area?

Mr. EDMONDSON. Yes, sir.

Mr. ANDERSEN. I personally sent out 1,000 letters to farmer leaders in my district, asking them if they agreed with the reduction as proposed in the budget from $250 million to $100 million, and I am surprised to see that about 95 percent of them say that it would be a grave mistake if the Congress would agree to reducing this program much, if any, below $250 million.

Mr. EDMONDSON. That certainly is the consensus of the replies I received. I feel it is just about a universal feeling in Oklahoma on this subject.

Mr. NATCHER. Mr. Edmondson, we want to thank you for your fine statement, and you must rest assured that this matter will receive every consideration of this committee.

Mr. EDMONDSON. Thank you, sir, and I thank all members of the committee for your courtesy and for the generous comments about my services.

SOIL CONSERVATION DAM

WITNESS

HON. HARLEY O. STAGGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. NATCHER. We have with us at this time our friend and colleague from West Virginia, Mr. Harley O. Staggers. We are delighted to have you with us, Mr. Staggers. I want to point out to the committee that the American farmer has no better friend in the House than Mr. Staggers.

Mr. ANDERSEN. Mr. Chairman, I want to agree with that statement. I have observed Mr. Staggers for quite a few years here in the Congress and I know when it comes to a showdown for support of American agriculture on the floor that he is usually up there voting with the rest of us. I appreciate your coming before us.

Mr. STAGGERS. Thank you very kindly. I appreciate those kind words from both of you.

Mr. NATCHER. We are delighted to have you.

Mr. STAGGERS. I would like to say, in turn, that you gentlemen are doing a great job, too, and I think one that is very essential. That is the reason I am here to appear before you to appeal for funds on this ACP program.

On the record, I would just like to say that in this ACP program, that the Potomac River watershed, of which my district is a part, was one of the first authorized and subwatershed work plans were prepared in the 1950's and several tributaries in Virginia and West Virginia. This work has been progressing until today 10 of these small retention dams have been completed. There are 3 now under construction, leaving 31 out of 44 planned, on which plans have proceeded to some extent, sort of high and dry, if we don't see there is enough money appropriated.

That is the reason I am here, to say that I sincerely trust that your committee will see fit to increase the appropriations called for in the President's budget for the fiscal year 1961 for carrying on this important flood prevention program, not only on the Potomac, but all across America.

I think particularly this thing affects Washington here, because the Potomac flows into Washington. These dams would help to keep a lot of silt out of the river that comes into Washington now; will retain a lot of the water in times that it can be allowed to reflow, in times of low water. It will afford recreational areas, but it helps in the reforestation program and all the other programs. I feel very strongly that it is one of our good programs that we have participated in.

Mr. ANDERSEN. May I interrupt, Mr. Chairman?

Mr. NATCHER. Yes.

Mr. ANDERSEN. Mr. Staggers, you will recall the Andersen-Hope pilot watershed program out of which evolved Public Law 566 which was brought out a year later by the Legislative Committee on Agriculture. I think the watershed program is accepted all through America as a very worthwhile institution. I regret seeing the budget come before us with less money available for the continuation of both the work relative to the 11 authorized watersheds and also the small watershed protection program. I don't think it is to the good of America to slow down this program, and I agree with you thoroughly in your advocacy of restoring the funds necessary to do the kind of a job that we should do.

Here we have an office building being constructed for the Congressmen. We need this office building, $65 million worth of construction. But at the same time, the budget does not even request of this subcommittee as much money as that for 1 year's operation of all the watersheds throughout America.

I think there is some line of thinking that is a little askew, or that is not quite right. Especially as I brought out earlier here today, that if we were even given $50 million per year, that is only 1 part in 60 of what we send overseas in 1 year to help other nations, gentlemen, $3,300 million last year. Conservation and preservation of our irreplaceable soil is certainly worth a whole lot more than that.

Mr. STAGGERS. I wholeheartedly agree with you. I am for the program.

Mr. ANDERSEN. I knew you would.

Mr. STAGGERS. I might say recently a group of citizens from about four of my counties gathered at my home; they were bipartisan men interested in farming and agriculture. They were so much, all of them, for this program, and asked me to do all I could to see that funds are restored so that they could proceed with their planning on the Potomac watershed.

Gentlemen, I sincerely thank you for giving me the opportunity to appear. I ask permission to insert the statement in the record, if I may, and I sincerely hope and trust you will restore the funds needed for this very important program.

Mr. NATCHER. Without objection, the statement is inserted at this point.

(The statement referred to is as follows:)

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 23, 1960.

To: Hon. Jamie Whitten, chairman, Subcommittee on Agriculture, House Appropriations Committee, Washington, D.C.

From: Representative Harley O. Staggers, Second District, West Virginia.

Subject: Appropriation for agriculture soil conservation dams.

Since the latter part of 1944 when the Congress authorized the Department of Agriculture to carry out specific types of flood prevention activities in various watershed programs throughout the Nation, it has been proven many times over that this project has been of tremendous value.

The Potomac River watershed project was one of the first authorized and subwatershed work plans were prepared in the early 1950's for several Potomac tributaries in West Virginia and Virginia and the plans called for a combination of land treatment practices and the construction of small water detention dams located on minor tributary streams on the Potomac.

Within the past 10 years, at least 5 of the 15 counties in the Second Congressional District of West Virginia have participated in this watershed and flood prevention program. These include Morgan, Mineral, Grant, Hardy, and Pendleton Counties.

I sincerely trust your committee will see fit to increase the appropriations called for in the President's budget for the fiscal year 1961 for carrying on this important flood prevention program on the Potomac.

The citizens of West Virginia in the counties affected by the project are ready, willing and able to continue their cooperation in the success of the watershed program. Since they are wholly responsible under the law for providing all land, easements, rights-of-way and maintenance costs, the city, county, and State governments have formally obligated themselves financially for carrying out the Potomac watershed program.

As of the first of this year, 44 small retarding dams have been planned in the Potomac River Basin, three are presently under construction, and 10 have been completed since the program was begun.

Surely we must "give credit where credit is due." I believe we must grant the additional appropriations for the continuation and completion of this flood prevention and soil conservation program.

Furthermore, we must not overlook the fact that the residents of the Washington metropolitan area are also benefiting by the Potomac watershed project. Construction of the retention dams on small upstream watersheds assist in holding back soil erosion and silt pollution, helping to attain a cleaner Potomac, and insuring a water supply for Washington, D.C.

The dams will not only aid in flood prevention, but retain the floodwaters and use it in reforestation and replanting of vegetation. This will prove an even greater advantage in time in retaining surface waters and raising the water table.

Another point I wish to bring to your attention is recreational facilities such as fishing, boating, and swimming are made available by the construction of the detention dams.

I sincerely trust, in the wisdom of your committee, that you will see fit to approve the necessary funds for continuing the soil conservation and watershed projects under the Watershed Protection and Flood Prevention Act.

Respectfully submitted.

HARLEY O. STAGGERS.

Mr. NATCHER. We are delighted to have with us at this time our friend and colleague, Mr. McSween, of Louisiana.

BRUCELLOSIS ERADICATION PROGRAM

WITNESS

HON. H. B. McSWEEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. NATCHER. We are delighted to have with us our friend and colleague, Mr. McSween, of Louisiana.

Mr. MCSWEEN. I only want to take a minute to bring to your attention what we on the Committee on Agriculture believe to be a serious mistake. I speak of the reduction in the level of appropriations in the brucellosis eradication program.

The appropriations for this very necessary program in 1958 were $24 million, and under that level of appropriations it was expected by our best technicians in the Department that by the end of 1959 we would have this problem licked.

The present budget calls for a decrease in these appropriations down to the level of $15 million. It was $16¼ million for fiscal 1960, and I believe that it is expected to be even less than that for 1961, according to the budget, approximately $15 million.

Now, the point I want to make is that this reduced level will mean a 9-year delay and a $230 million extra expense in order to arrive at the goal that has been sought. I appreciate——

Mr. ANDERSON. Congressman, let me interrupt and ask you this: In other words, you consider it poor business to decrease the level of this appropriation, as the budget suggests, because of the fact that it would simply set the work back and in the long run cost us considerably more money?

Mr. MCSWEEN. You are exactly right. I have been, in the short time I have been here, very conservative. I think you know I try to support economy in government as a general principle, and I would not be here for the fact that this is false economy.

Mr. ANDERSEN. This is false economy. Let me tell you this, and I am sure you will agree with me: We are dealing with something in this disease that might affect your children and grandchildren in future years if we don't squelch it; I am referring to undulant fever brought along from brucellosis-infected cattle in the milk. I think from that viewpoint alone the Congress ought to insist on appropriating whatever can be properly used without waste and putting into effect that sort of program which will in the earliest possible time eradicate brucellosis. After that has been accomplished we will need a strict recheck program to make sure that it doesn't break out again.

Mr. MCSWEEN. You are exactly right. I introduced in the House, House Joint Resolution 619. This resolution was referred to the Committee on Agriculture. We had hearings and we favorably reported this resolution. I mention this only because the resolution contains all of the facts that I have enumerated, and I would like to have permission to insert this in the record.

Mr. NATCHER. Without objection it is so ordered.

(The resolution is as follows:)

[H.J. Res. 619, 86th Cong., 2d sess.]

JOINT RESOLUTION To further reduce the incidence of brucellosis by providing Federal support to complete nationwide certification and proceed toward the eradication of brucellosis under the brucellosis eradication program

Whereas the Eighty-third and the Eighty-fourth Congresses indicated that it is the policy of the United States Congress to accelerate the brucellosis eradication program by increasing the Federal support of the cooperative State-Federal brucellosis eradication program, and

Whereas the increased support was made available by an authorization to the Secretary of Agriculture to utilize funds available to him in the Commodity Credit Corporation, and

Whereas this authority was withdrawn due to increased appropriations in the appropriation acts to the Department for the conduct of this program, and

Whereas remarkable progress toward the goal of elimination of brucellosis from the cattle of the United States was achieved during the first five years of the accelerated program, as evidenced by the fact that during this period a total of one thousand three hundred and twenty-six counties, including twenty-one complete States, Puerto Rico and the Virgin Islands qualified as modified certified brucellosis areas, which means that the infection has been reduced to a level of not more than 1 per centum of the cattle and 5 per centum of the herds, and

Whereas the incidence of brucellosis in man has been reduced from one thousand eight hundred and twenty-three cases reported in 1954 to seven hundred and twenty-one cases reported in 1959, and thereby eliminated unnecessary human suffering, and

Whereas the State and Federal support for the program during fiscal year 1959 made it possible to meet the service requirements necessary to advance the program in an efficient and effective manner, and

Whereas at the 1959 level it was estimated that the entire country could have attained modified certified status by 1965, and

Whereas the financial support from the Federal and State Governments for 1960 has been reduced to a level where drastic curtailment of many essential aspects of the program has been necessary, and

Whereas the reduced level of State and Federal support for the brucellosis eradication program has brought about a curtailment of the progress being achieved, as evidenced by the fact that there are now more than two hundred counties eligible to begin working for area certification, which cannot be undertaken because of the lack of funds and because as of February 1, 1960, there were only three hundred and twenty-two active area work counties as compared to five hundred and forty-four such counties at the same date last year, and

Whereas for lack of funds the level of calf vaccination has been reduced significantly in many areas, which will endanger the achievements of the program in the future unless corrected, and

Whereas it has been estimated that at the current level of support complete nationwide certification status cannot be achieved before 1974, and

Whereas this nine-year delay will require the expenditure of approximately $230,000,000 more to qualify the entire country for certification than would have been necessary if the work could have been continued at the 1959 level: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, since it is urgent that Federal support for the brucellosis eradication program be maintained at a level which will make possible the most economical program achievements, there is hereby authorized to be appropriated $20,000,000 for fiscal year ending June 30, 1960, and $22,000,000 for the fiscal year ending June 30, 1961, and each of the four succeeding fiscal years.

Mr. NATCHER. We want to thank you for your fine statement and to assure you that your request will be given every consideration.

Mr. MCSWEEN. Thank you very much.

ESTABLISHMENT OF ADEQUATE FACILITIES AT SOUTHWESTERN GREAT PLAINS FIELD STATION, BUSHLAND, TEX.

WITNESS

HON. WALTER ROGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. NATCHER. We are delighted to have with us at this time our friend and colleague, Mr. Walter Rogers of Texas.

Congressman, we are glad to have you before our committee and as the other members of the committee know full well, the American farmer has no better friend than you.

You may proceed.

Mr. ROGERS. Thank you, Mr. Natcher.

It is always a pleasure to come before your committee and to present our problems because we always have such a willing ear, and I hope this year that something can be done about this problem. The situation that I want to discuss briefly—and let me say this off the record at this time.

(Discussion off the record.)

Mr. NATCHER. You may proceed.

Mr. ROGERS. Thank you, Mr. Chairman, and all my esteemed colleagues on this subcommittee. Let me say at the outset I have always sincerely appreciated the opportunity of appearing before this subcommittee for several reasons, chief of which is the understanding you have always given me in the problem at hand.

The situation I want to discuss briefly with you today is one which we aired on previous occasions, and it concerns the establishment of adequate facilities at the Southwestern Great Plains Field Station at Bushland, Tex. Your files in previous sessions of the Congress will reveal a detailed account of the reasons behind the great need which exists at the station for adequate facilities. If it please the subcommittee, Mr. Chairman, I will offer this condensed history of the station:

The station was established in the late 1930's and is located some 12 miles west of Amarillo, Potter County, Tex., and is the center of an area serving portions of five States in the Southern Great Plains. The station includes 1,600 acres of land and for years was operated by a staff of 13 people. Some 6 years ago representatives of the Agricultural Research Administration surveyed the research facilities of the Southern Great Plains for the location of a station to serve as a regional research center for soil and water conservation in the Southern Great Plains and selected the USDA Southwestern Field Station as a regional research center.

This work has progressed, and they have increased their staff from 13 to some 40 people, including some well-trained scientists in the field of soil and water conservation.

At present the office and laboratory space of the USDA Southwestern Great Plains Field Station is inadequate for the research underway, and construction of new facilities and improvement of the old at this regional center is urgently required in order that a balanced program of soil- and water-conservation research may be continued. In the interest of brevity, I refer you to pages 35 through 39 of this subcommittee's hearings in the 1959 appropriation for further details concerning the nature of the programs conducted at the station and the urgency of the facility needs.

As you will recall, Mr. Chairman, when I appeared before your subcommittee on March 10, 1958, along with Mr. Art Bralley and Mr. Jay Taylor from Amarillo, Tex., you pointed out the desirability of requesting the Department of Agriculture to make a thorough study of current and probable future agricultural research needs. This subcommittee is, I am sure, familiar with a report of the Secretary of Agriculture dated March 2, 1959, entitled "Facility Needs—Soil and Water Conservation Research," and I will not belabor members of the subcommittee with the details of this report. I do point out, however, that in the 32 maps depicting the urgency of need for research information on the various problems in different sections of the country, area 18, in which the Southwestern Great Plains Field Station is located, appears under the heading of "Greatest Urgency," in 15 instances, under the heading of "High Urgency," 5 times, and under the heading of "Moderate Urgency" once. The report further states that the Southwestern Great Plains Field Station should be provided with major field station facilities to provide for a concentrated attack on moisture conservation, crop residue management, tillage, and water management problems that are pressing in this region.

It is noted that the position of the Department of Agriculture is that although it would be impossible to immediately fulfill all the recommendations of the report, desirable as this might be, the exist-

ing stations be strengthened first. Lastly, in the summary recommendations, for Bushland, Tex., the need for capital construction is pointed out, for the purpose of developing improved practices for conservation farming and ranching on the Zita-Pullman and associated soils of the southern high plains, New Mexico, Texas, Oklahoma, and Kansas. Proposed construction funds for carrying out this program are $600,000.

I don't know how far you gentlemen want to go in your reliance upon this report as a solid recommendation of the Department. I do know that we have had difficulty previously in securing Department and Budget recommendations for establishing adequate facilities at this station, even though there has always seemed to be an indication that the Department was favorably disposed toward effecting the facilities. As you are aware, however, the recommendations always seem to get lost by the time they reach the Congress.

I realize the many demands upon this subcommittee for the appropriation of funds for every worthy agricultural need. In light of these facts, I can authoritatively vouch that few, if any, appropriations will be more justified than this which I request today. Your careful and earnest consideration is invited, and is appreciated.

Mr. HORAN. The field station you mentioned; what type of arrangement operates that?

Mr. ROGERS. May I give you the history of it? I think it will clear the thing up for the record. In 1937, the U.S. Department of Agriculture obtained the land in Potter and Randall Counties in the Texas Panhandle near Bushland for soil and water conservation research. This station was named the Amarillo Conservation Experiment Station, and was operated by the Research Division of the Soil Conservation Service of the U.S. Department of Agriculture.

Now, during the reorganization of the U.S. Department of Agriculture in 1953, the station was placed under the direction of the Agricultural Research Service of the U.S. Department of Agriculture, and in December 1956, the station's name was changed to the USDA Southwestern Great Plains Field Station. Officials of the U.S. Department of Agriculture approved this name change so that the regional nature of the soil and water conservation research underway would be more clearly indicated.

I give you that because it is a history of what has happened since 1937, and it is being operated and has been operated by the U.S. Department of Agriculture.

Mr. NATCHER. Any further questions?

Mr. HORAN. No. I just want to thank Mr. Rogers for appearing before our committee, and I want him to know that we appreciate this problem, and that I, for one, on this subcommittee—and I don't think I am alone—would like to see this solved. When we may be able to do that is anybody's guess, because we haven't marked up the bill, we haven't really—I know that the chairman is studying the problems involved in it. What we will come up with finally is anybody's guess.

This is a meritorious request of yours, I know that, because I have driven past that field station down there, in November, and I was rather impressed with it. I still remember it.

Mr. NATCHER. Mr. Rogers, we want to thank you for your fine statement and for your appearance before our committee at this time. You may be assured that this matter will be given every consideration.

Mr. ROGERS. Thank you.

RESEARCH, CONSERVATION AND CCC LIMITATION

WITNESS

HON. GEORGE H. MAHON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. WHITTEN. We will now hear from our friend and colleague on the Appropriations Committee, Mr. George Mahon of Texas. We know of his longtime interest in all matters affecting agriculture and are happy to have him with us today.

Mr. MAHON. Thank you, Mr. Whitten.

I have had the privilege of appearing before this subcommittee on two occasions in recent weeks. Upon the first occasion I appeared with Mr. Grady Halbert, of Texas, and other witnesses in connection with the Great Plains conservation program. This program is well adapted to the Great Plains area and is generating soil conservation activity in a very splendid way. A good job is being done and widespread interest has been created.

In my judgment, this program ought to be expanded and encouraged. As the testimony will show, this program has been underfinanced during the current fiscal year. Moreover, the budget estimate for the coming fiscal year is, in my opinion, far from adequate. I hope you can find ways to increase the budget to a reasonable degree in order to make the Great Plains program more meaningful.

I was also before you briefly upon the occasion when representatives of the National Cotton Council appeared. Two of my friends from West Texas were present before your committee at that time, Mr. Roy Forkner and Mr. George Pfeiffenberger.

We, in the south plains area of Texas, have a very special interest in certain research work which is being undertaken at Texas Technological College in Lubbock. I hope, Mr. Chairman, that you and your subcommittee will be able to go a long way in approving the recommendation made before you a few weeks ago by representatives of the National Cotton Council.

The $50,000 limitation which was affixed as a rider to the agricultural appropriation bill of last year will, no doubt, be before you for consideration. I realize that this limitation was not advocated by your subcommittee. I hope a way can be found to eliminate the limitation for the 1961 crop. The limitation creates unnecessary problems and hardships.

Mr. Chairman, I wish to commend you and your subcommittee for your unceasing efforts in behalf of agriculture. You are confronted with difficulties which seem almost insurmountable. It is comforting to know that you and the members of your group have a genuine and abiding interest in the farmer and a deep understanding of his problems.

Mr. WHITTEN. Thank you, Mr. Mahon. We appreciate your interest in these matters, and will do the best we can to meet these needs.

WITNESS

HON. WALTER S. BARING, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEVADA

Mr. WHITTEN. Our next witness will be our colleague from the State of Nevada, Mr. Baring.

Mr. BARING. Thank you, Mr. Chairman.

The Humboldt River research project was initiated July 1, 1959, with a $35,000 appropriation by the Nevada Legislature. The primary objective of the program is to determine what happens to the water in the Winnemucca segment, which is a representative area, of the Humboldt River Basin. Later, these studies will be extended upstream and expanded to cover the entire river basin. Elements in the program include geological and geophysical investigations; a study of evapotranspiration of meadow plants, willows, and greasewood; collection, analysis, and correlation with runoff of precipitation and other meteorological data; a study of surface and ground water movements; surveys of areas of phreatophytes, estimates of water use by these plants and study of methods of recovery of water from such areas; studies on methods of replacement of greasewood, a plant with no grazing value, with usable grasses; and the development of new methods and techniques in the study of the hydrology of arid areas.

The project is under the general direction and coordination of Hugh A. Shamberger, director, Nevada Department of Conservation and Natural Resources. The divisions of water resources and State forestry of this department also assist in this program. The 1960 Nevada State Legislature has agreed to increase the appropriation to the department of conservation and natural resources for this study to $40,000 for the 1960–61 fiscal year. None of this money is used for the normal operating expenses of the department but is utilized entirely in meeting the expenses of the project.

Progress in the 1959–60 fiscal year has been on schedule. Land was selected, leased, leveled, diked to protect from flooding, fenced, and provided with water and electricity. Instrumentation for collection of weather data, including 18 high altitude precipitation gages, have been installed. Two large 30-by-30-foot tanks for the study of evapotranspiration of greasewood, and twelve 10-by-10-foot tanks for the study of use of water by willows and meadow grasses have been installed and will be planted to their designated vegetation at the appropriate planting season.

Some 97 wells have been drilled on and adjacent to the flood plain of Humboldt River in the Winnemucca area to test the movement of ground water in this area, and some 36 test wells for ground water studies have been installed in the area immediately upstream from the Winnemucca area. Geological and geophysical investigations, and other work concerned with the broad objectives of the program have advanced as scheduled.

New work to be undertaken this year includes an overall study of the water and land resources of the Humboldt River Basin. A second set of tanks at an upstream location, probably near Elko, will be installed by the Agricultural Research Service in cooperation with

the department of conservation and natural resources. The preliminary work by the ARS on mosquito control, initiated this year, will be followed up by more intensive work this coming summer.

The department of conservation and natural resources maintains a resident representative in Winnemucca. This technician carries out the specific operations for which this department is responsible and assists cooperators to the limit of the time available. He will work closely with the Agricultural Research Service but, because of the limited amount of time available and the extent and technical character of much of the work of the ARS, he cannot be expected to supply the assistance needed by this agency. Supervision of the operations of the ARS from the Reno headquarters is reasonable and desirable, but operating assistance should be provided by a technician located in the field. On the present level of financing, the ARS is unable to support a resident technician in the field and must supply both supervision and technical assistance from the Reno headquarters. The scope of the work is limited to present operations with opportunity for only a minor amount of expansion. On the requested level of financing, the ARS would be able to support a technician in the field and to expand and strengthen the program. Desirable features which could and should be included in the program would include intensive soil moisture studies on crop and range lands, tests on replacing undesirable phreatophytes with good quality, deep-rooted grasses, as well as the expansion to upstream areas of present lines of investigation. The requested allocation of funds would permit the ARS to carry out its program and to cooperate with the department of conservation and natural resources in a proper and effective manner.

Mr. WHITTEN. Thank you for coming before us today, Mr. Baring.

PEAR DECLINE AND HOP RESEARCH

WITNESS

HON. CATHERINE MAY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. WHITTEN. We are happy to have our colleague from Washington, Catherine May, before the committee again. You may proceed, Mrs. May.

Mrs. MAY. Mr. Chairman, in behalf of the agricultural interests of the Fourth Congressional District of the State of Washington, I feel it is a privilege to present the following statement of needs for additional emphasis in several fields of agricultural research. In so doing, I urge this committee to give its full consideration to these needs.

PEAR DECLINE

Research into pear decline, a serious disorder that has threatened the very existence of the Bartlett pear industry in the Pacific Northwest, has now been conducted for 4 years, and, I am pleased to say, the first glimmerings of a possible answer are being seen. But, as this progress has been made, a decline of pear trees, sometimes resulting in death of the trees, has extended from the State of Washington

into Oregon and California. In addition to work that is now under way, further information is needed on the most desirable root-top combinations, necessitating the development of a rapid method for determining such desirable root-top combinations.

I request, on the basis of industry and government estimates of need in this field, that the sum of $25,000 be appropriated to continue the research program of the Fruit and Nut Crops Branch of the Agricultural Research Service in 1961.

HOPS RESEARCH

This research program is designed to deal with regional problems of the hop producing areas in California, Oregon, Washington, and Idaho. Major emphasis is placed on breeding for disease resistance, high yield, improved cultural characteristics and desirable consumer quality aspects. This year, a greater emphasis on development of disease-resistant hop varieties of the type desired by Washington growers is being undertaken by the Department of Agriculture, which I feel is a necessary step, since such a heavy volume of the hops produced in the United States comes from this State. These efforts will be closely allied to the cooperative efforts of the State and of the industry. Needed is a Federal appropriation of $60,000. The following is an excellent letter from David A. Strausz, president of the Hop Growers of America, Inc., outlining the needs in regard to this problem, and I would like to include the letter in the hearing record at this point.

Mr. WHITTEN. That will be fine.

(The letter is as follows:)

HOP GROWERS OF AMERICA, INC.,
Moxee City, Wash., March 7, 1960.

HON. CATHERINE MAY,
House of Representatives,
Washington, D.C.

DEAR MRS. MAY: We are writing this letter to substantiate our request for additional funds from the USDA for hop research.

As you know, there has been a research program going on for many years. This program was set up when the majority of the hops were grown in the State of Oregon. In recent years the need for a better research program has become very obvious, particularly in other States since the climatic conditions are completely different and the other States are under irrigation, whereas Oregon is not.

In 1957, a national hop research committee was formed, with research representatives from all hop-producing States participating. The coordination between the States has been very good since that time, but because of the limited program many phases of the research have been neglected. The main things that have been under study are: Mildew resistant plants (but only on varieties that are grown in Oregon), root die out, hop breeding, etc. Primarily the programs have been conducted in Corvallis, Oreg., and their findings do not assist the other hop-growing areas sufficiently.

It is the desire of the organization to expand the research program so as not to duplicate, and to continue using the facilities at Corvallis in cooperation with the other States. This would enable the program to cover the entire industry. As you know, Oregon is presently growing approximately 10 percent of the hops.

The industry has met with Dr. L. M. Pultz and Dr. J. O. Culbertson, and acquainted them with the needs of the industry. I am sure that they will verify the justification of needs for which we request funds. The following will outline our requested program:

The program in Washington should be strengthened to better serve those regional areas that regularly grow early and late cluster hops as follows:

I. BREEDING AND AGRONOMY

The addition of one professional man and the regular component of subprofessional and labor help together with the necessary special equipment to:

A. Expand the regional breeding program by carrying on a primary testing study with from 300 to 800 crosses annually from Corvallis, including back crosses of mildew resistant selections on early and late clusters.

B. Study cultural and management practices under irrigation conditions.

II. PLANT PATHOLOGY

The addition of one professional man and the regular component of subprofessional and labor help and special equipment to—

(A) Search for germ plasm resistant to hop viruses.

(B) Develop the techniques suitable for large scale testing of hops for resistance to virus diseases.

(C) Determine the identity and epidemiology of hop viruses.

(D) Cooperate in the breeding and selection of virus disease resistant hop varieties.

(E) Participate in a greatly expanded program developing downy mildew resistant hops.

(F) Investigate the identity, epidemiology and control of other hop diseases.

The Washington Agricultural Experiment Station through the Irrigation Experiment Station will provide at no cost to the U.S. Department of Agriculture:

1. Land for the program and will erect the yard.
2. Irrigation water.
3. A moderate amount of greenhouse and screen house space.
4. Office and laboratory space.
5. Build a small hop drier and baler.
6. Light. heat, water and other facilities.

BUDGET FOR TWO RESEARCH ASSISTANTSHIPS AT THE UNIVERSITY OF CALIFORNIA, DAVIS, TO DO WORK ON HOPS

A. Purpose: To permit an expansion of the research on hops by the university with particular emphasis on the following:

(*a*) Phytopathology and control of downy mildes.
(*b*) Methods of commercial propagation of better types in hopyards.
(*c*) Control of insect pests.
(*d*) Improved cultural practices.

B. Personnel: Two research assistants to work full time during the summer (mid-June to mid-September) and half time during the academic year (mid-September to mid-June). These research assistants will be working toward an M.S. or a Ph. D. degree.

C. Budget (approximate values for each research assistant per year):

(*a*) General assistance:	
1. Salaries	$3,000
2. Stenographic assistance	300
Extra labor at peak seasons	500
Total	3,800
(*b*) Supplies and expenes:	
1. Travel	500
2. Communications	100
3. Special supplies	100
Total	700
(*c*) Equipment and facilities (an average value):	
1. Sport collectors, tensiometers, spray equipments, field scales, and other equipments as needed, all to be property of the USDA	500
Total	5,000

NEED FOR ADDITIONAL SUPPORT FOR AN EXPANDED USDA HOP RESEARCH PROGRAM AT CORVALLIS, OREG.

I. Breeding and agronomy:
A. One full-time Agronomist (GC–9).
B. One full-time subprofessional.
II. Disease: A. When work is increased in virus investigations, one full-time subprofessional.
III. Chemistry:
A. One full-time laboratory technician (subprofessional).
B. One fulltime chemist (GS–5).

We sincerely hope that you will do everything that you possibly can to support this program. As you know, hops are an important crop in our four Western States, and the survival of the hop industry is very important to the economy of these States.

Thanking you in advance for all your efforts, I am,

Very truly yours,

DAVID A. STRAUSZ, *President.*

DODDER CONTROL RESEARCH

Mr. MAY. Alfalfa seed production is an important industry in several Western States. Wherever dodder occurs in alfalfa seed fields, it presents a particularly serious problem. At the present time, an area in the State of Washington devoted almost entirely to alfalfa seed production is faced with the extinction of this enterprise due to infestation of dodder. An effective research program to develop methods of control is needed. If $5,000 for technical assistance were provided, this work could be conducted at the Irrigation Experiment Station, Prosser, Wash., by Washington State and USDA personnel under the direction of USDA research agronomist, J. H. Dawson. I am hopeful that additional attention can be given to research on the dodder problem. The following is a proposal for dodder control research in Washington, which I would like to bring to the attention of the committee.

Mr. WHITTEN. The statement will be placed in the record.

(The statement is as follows:)

PROPOSAL—DODDER CONTROL RESEARCH IN WASHINGTON, JANUARY 1960

General outline of proposed research project on the control of dodder in alfalfa grown for seed to be conducted by the Washington Agricultural Experiment Stations and the U.S. Department of Agriculture, cooperating

If $5,000 per year for technical assistance can be provided from grants or other funds not presently available, this work would be conducted at the Irrigation Experiment Station, Prosser, Wash., by Washington State and USDA personnel, under the direction of USDA research agronomist, J. H. Dawson.

A. OBJECTIVES OF THE STUDY

1. *Reasons.*—Alfalfa seed production is an important industry in several Western States. Wherever dodder occurs in alfalfa seed fields it presents a very serious problem. At the present time an area in the State of Washington devoted almost entirely to alfalfa seed production is faced with the extinction of this enterprise due to infestation of dodder.

2. *Objectives.*—The objectives of these studies are:

(*a*) To obtain information about dodder and its life history which will aid in devising control measures.

(*b*) To obtain information about the host-parasite relationships of dodder and alfalfa which will aid in devising control measures.

(*c*) To develop effective methods of control of dodder in alfalfa seed fields by chemical, cultural or a combination of chemical and cultural methods.

B. PROCEDURE

1. *General.*—Greenhouse and field studies will be conducted. Adequate greenhouse facilities are available at the irrigation experiment station, and a field of alfalfa will be sown to dodder for field studies. As larger scale field trials become appropriate, alfalfa fields with dodder will be available in the Touchet, Wash., area.

Dodder seed germination, effects of temperature, moisture and light, longevity of dodder seeds in the soil, depth of emergence of dodder seeds in the soil and other pertinent factors concerning the dodder plant will be studied.

With respect to the host-parasite relationship, observations will be made of dodder attachment to alfalfa, distance dodder shoots will grow in seeking the host, length of life of dodder seedlings without attachment to the host and other relevant factors.

Various herbicides will be screened to determine their effects on dodder. Methods and time of applying herbicides will be considered. Special study will be made of CIPC (isopropyl–N– (3–chlorophenyl) carbomate), the herbicide which at present shows greatest promise for dodder control in alfalfa. Growers and commercial applicators who have used CIPC will be interviewed and leads will be sought as to the reasons for their successes or failures. Experiments then will be conducted in an effort to determine the principles involved in successful use of CIPC for dodder control.

Methods of cultural control will be studied. Attention will be given to the use of common or specialized cultural practices in conjunction with herbicides in order to develop effective measures for the control of dodder in alfalfa.

BEAN RESEARCH

Mrs. MAY. Virus diseases are a continual menace to bean crops, particularly in the Columbia Basin of the State of Washington, where in 1959, an estimated 30 percent of the crop was lost to mosaic infection. The USDA breeding program in the development of several classes of dry and garden-type beans with curly top and multiple virus resistance continues to receive much emphasis. Many promising lines are approaching the advanced stages of development.

The work of virus identification and determination of varietal reaction to new viruses will be continued in connection with the USDA breeding program at Prosser, Wash., as will continuation of research work into root rot control and serotinia wilt.

Additional funds and manpower can be used to advantage in the Columbia Basin.

I would again like to urge careful attention of the committee to the tremendous need for increased allocation of funds for strengthening soil and water conservation research facilities in the Pacific Northwest, and in particular the State of Washington. I have heard from a great number of individuals and interested farm organizations who believe, as I do, that a special laboratory for soil and water conservation research should be established within the State of Washington, and that it should be in harmony with the comprehensive report on "Facilities Needs—Soil and Water Conservation Research," the report of findings by the working group appointed by the Secretary of Agriculture. Within the State of Washington, our most urgent need is to expand materially Federal efforts in soil and water research. Historically, limited Federal support for physical facilities has resulted in considerable overcrowding of research workers, and has restricted essential research activities. In order to organize and carry out an effective agricultural research program, I believe support of all aspects of such a program to be necessary at this time.

As you know, the Fourth Congressional District of the State of Washington is the location for several important Federal irrigation projects, and increased research into the crop growing problems on these projects is necessary to be of substantial benefit to the many farm families in these irrigation areas. Because of the widely varied nature of the problems occasioned by the diversified agricultural interests represented in the Northwest, it has become increasingly evident that existing research efforts of the Federal Government cannot hope to adequately meet these problems. Therefore, I most sincerely urge that these pressing problems can be eased by favorable consideration and committee support for establishment of expanded research facilities, adequately staffed, to meet this challenge.

I thank you, Mr. Chairman, for this opportunity to submit this testimony.

Mr. WHITTEN. We are happy to receive your statement today and wish to thank you.

VEGETABLE BREEDING AND DEVELOPMENT FOR CROPS RESEARCH

WITNESS

HON. T. A. THOMPSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. WHITTEN. Our next witness today will be our friend and colleague from Louisiana, Mr. Thompson, who has a great interest in agricultural matters.

Mr. THOMPSON. Mr. Chairman, I want to thank you for allowing me to be heard on the request made for additional funds for vegetable breeding and development for the Crops Research Division at Beltsville, Md., Regional Laboratories, and cooperating State stations.

A statement of the research now being carried on and the reasons why additional funds are needed has been prepared by Dr. Julian C. Miller, head, Horticultural Research Department of Louisiana State University, Baton Rouge, La., a copy of which was forwarded to your committee with my letter of February 19, 1960. I believe that this statement will give the necessary detailed information for full consideration of the request.

Since sweet potato production is one of the economic mainstays of the people of my district, I am particularly interested in furthering this industry. The good that has already been accomplished for this one crop in Louisiana, as the result of breeding new varieties and research on grading, handling, shipping, and canning, can be told by many of the farmers of our areas. I certainly hope that your committee will look favorably on the request for additional funds to carry out the important work being done in research with vegetable crops.

(The letter and attachment are as follows:)

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 19, 1960.

HON. CLARENCE CANNON,
Chairman, Committee on Appropriations,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing a letter and brochure sent to me by Mr. Claude Arceneaux, secretary-treasurer, Louisiana Sweet Potato Association, concerning needed funds for research with vegetable crops. I hope this material

will be included in your consideration of an appropriation for the Department of Agriculture.

Thanking you for your cooperation, I am,

Sincerely yours,

T. A. THOMPSON, *Member of Congress.*

LOUISIANA SWEET POTATO ASSOCIATION NEWS LETTER

LAFAYETTE, LA., *February 15, 1960.*

Hon. T. A. THOMPSON,
House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN: The following resolution quoted below was adopted at the annual meeting of the Louisiana Sweet Potato Association held in St. Francisville, La., last year:

"Whereas the U.S. Congress is presently considering in Appropriations Committees, bills for appropriation of funds for agricultural research, and

"Whereas there is pressing need for additional research in plant breeding, production procedures, processing procedures, and marketing of truck crops, and

"Whereas the several USDA laboratories and cooperating State experiment stations are presently hampered in their work because of restricted equipment and staff, and

"Whereas the appropriation of adequate funds to enlarge existing research projects and initiate new projects would be of great value to growers, processors and handlers of vegetable crops: Therefore be it

Resolved, That the Louisiana Sweet Potato Association requests of officials of the U.S. Department of Agriculture, the Louisiana Members of the Congress and other Congressmen, support of appropriation bills for additional funds for research with vegetable crops at Federal and State laboratories and experiment stations."

The attached brochure is in support of said resolution.

I trust that you will give this matter your serious consideration and I trust that you will be able to convince your colleagues likewise.

Yours very truly,

CLAUDE ARCENEAUX, *Secretary-Treasurer.*

REQUESTED APPROPRIATION FOR VEGETABLE BREEDING AND DEVELOPMENT FOR THE CROPS RESEARCH DIVISION AT BELTSVILLE, MD., REGIONAL LABORATORIES AND COOPERATING STATE STATIONS

I would like to state briefly why this requested appropriation is needed. The details will follow later in the discussion. First, none of the vegetable crops with which we would like to expand the research program comes under any support as do the so-called basic crops. Secondly, the cost of producing these crops has greatly increased; while the farmer's purchasing power has decreased. Therefore, the vegetable farmers throughout the United States need varieties which have desirable qualities for processing, carry more resistance to diseases and insects, possess good shipping quality for the fresh market and will produce higher yields. Thirdly, our population is increasing rapidly, and the per capita consumption of vegetables is likewise increasing, so we will need more of these essential vegetable crops for the health and welfare of our people. It generally takes 10 years to perfect a new variety and release it, therefore, the work should be started immediately if we are going to meet the demands of our rapidly growing population and encourage our growers to continue their production of these essential food items.

Breakdown of appropriation

Irish potatoes	$150,000
Sweetpotatoes	150,000
Onions and shallots	30,000
Carrots and other root crops	30,000
Basic research on soil-borne diseases and insects and tissue culture studies	50,000
U.S. Vegetable Breeding Laboratory at Charleston, S.C.	100,000
Total	510,000

Many of the Federal laboratories conducting basic and applied vegetable research are understaffed and have had to operate with small appropriations which were probably obtained in the 1930's to fit the needs at that time. A portion of the money would be assigned for research at some of the collaborating State experiment stations. Various organizations throughout the United States are asking for this appropriation and will request the support of their respective Representatives.

At the present time, many of our smaller farmers throughout the United States are discontinuing vegetable crop production and are placing their land in the soil bank. This is resulting in a decrease in these crops in most areas. If the vegetable industry is to survive, then the truck crop growers will have to be able to produce a crop more efficiently and economically. This calls for an accelerated research program so that he may meet these competitive problems and supply the essential vegetables for our population.

Irish potatoes, $150,000

Since World War II, the Irish potato, the Nation's No. 1 vegetable crop, has been very unstable. Since many of the basic crops have been under controls, the farmers in the main potato producing area have overplanted because it was the only major cash crop that he could probably plant without some type of restriction. This has resulted in lower prices for the growers in all areas of the United States. This overproduction in the main area has also made it unattractive for the seed production area which furnishes a large portion of seed to the early production areas, therefore, if the white potato grower is to survive, he will have to resort to every means possible to produce a crop more economically. In order to do this he should have varieties possessing the characters brought out in the following aims of the expanded program:

1. To breed varieties possessing higher food values, such as solids, minerals, and vitamins, which can be processed readily into such items as chips, french fries, flakes, flour, etc.
2. To breed high-yielding varieties of improved quality for all major production areas.
3. To expand major research to breed varieties resistant to such diseases as late blight, early blight, scab, mosaic, and other diseases.
4. To breed for resistance to frost damage. In many areas of the United States, frost damages the crop seriously from 2 to 3 years out of 5.
5. To breed for resistance to insects and nematodes. The golden nematode is already in this country and is threatening to wipe out potato production on Long Island. If this disease continues to spread, the only feasible control is genetic resistance.
6. To continue support of the Sturgeon Bay Experiment Station where breeding stocks possessing the above characters can be obtained readily for possible combination into one or more desirable varieties.
7. To seek new germ plasm the world over where superior genetic characters may be found.

Sweetpotatoes, $150,000

The sweetpotato has long been the most important food crop in the South and the Atlantic Seaboard States from Long Island on south. However, with the breeding program we now have varieties growing from the Gulf of Mexico to the Canadian border and from the Atlantic to the Pacific, and it is increasing in popularity throughout the world. If this country is going to help the undeveloped areas of the world, the sweetpotato is one of the most important food crops that can be contributed, particularly in the warmer sections. Considering the above statements, we would like to bring out the following objectives:

1. To breed varieties having high yielding ability and a wider range of adaptability.
2. To breed for resistance to the major diseases, such as soil rot, wilt, internal cork, and the Georgia virus.
3. To breed for better table quality and for processing in the canned, frozen, and flaked states for the Armed Forces as well as for civilian use.
4. To breed varieties having higher food values, such as carbohydrates, proteins, minerals, and vitamins, particularly for vitamin A, since the sweetpotato is one of the richest sources of this vitamin.
5. To accelerate research on the nature of the virus diseases in sweetpotatoes. It has been discovered that tobacco viruses attack sweetpotatoes.
6. To expand genetic, cytogenetic and physiologic studies on this crop.

7. To continue to search for new germ plasm and for ways of maintaining breeding stocks that might be selected throughout the world.

8. To establish a germ plasma bank similar to the white potato station at Sturgeon Bay.

Onions and shallots, $30,000

Again, the onion is grown in practically every State and in almost every community, and it is finding greater acceptance each year. Such a crop brings on many problems, and the chief aims in improving the onion are as follows:

1. To breed more disease-resistant varieties.

2. To breed varieties high in solids and increased flavor for processing into soups, dehydrated products, and so on.

3. To breed better keeping varieties and ones that can be processed in dehydrated and other forms so that the product can be transported to the Armed Forces and the consumer market.

4. To initiate and expand basic research on the Alliums (species of onions).

The same objectives would apply to the shallot, which is a green onion that can be grown in many sections of this country during the cooler periods of the year.

Carrots and other root crops, $30,000

The carrot is a vegetable that is recommended by all of the nutritionists as being one of the best sources of vitamins A and C, and it is used in all sections of the United States in the fresh state or as a canned or processed product.

The chief objectives in the improvement of this crop would be to breed varieties that are uniform in color and shape and that carry resistance to foliage and root diseases and to breed for higher carotene content. The problem of a method of producing hybrid carrots still remains unsolved.

Basic research on soil-borne diseases and insects and tissue culture studies, $50,000

These items might be considered as a relatively new type of research which has been developed to a limited extent within the past few years and offers great possibilities in saving the farmers of this country millions of dollars. For example, one insect damaged the sweet potato industry in Louisiana to the extent of several million dollars this past season. The exact control is yet to be worked out. Other troubles, such as nematodes and certain diseases which reduce crop yields, are causing untold losses, and comparatively little information is available today on the control measures. We are requesting an appropriation to carry on more basic research to determine how these problems might be solved to prevent a reduction in yield.

Basic studies on nutrition, physiology, and pathology of vegetable crops need to be initiated.

U.S. Vegetable Breeding Laboratory at Charleston, S.C., $100,000

This laboratory was established in the early 1930's and has made many valuable contributions, but they are understaffed from the standpoint of personnel and lack facilities for the most efficient operation. While it is located in the southeastern part of the United States, the contributions, which they are making and can further make, cover the entire country. The large watermelon, known as the Charleston Gray, which all of us have seen in all parts of the country, is only one of the contributions made by this station. This variety has proven very profitable to the growers due to the fact that it is resistant to the wilt disease and is a very high-yielding variety. Certainly, the investment made in research at this station has paid major dividends.

Should the Agricultural Appropriations Committee wish to have additional information regarding the need for these appropriations, I would suggest that the following individuals be contacted: Dr. B. T. Shaw, Administrator, Agricultural Research Service; Dr. Marion W. Parker, Director of the Crops Research Division; Dr. Victor R. Boswell, Chief, Vegetables and Ornamental Research Branch; and Dr. August E. Kehr, Head of the Potato, Onion, and Root Crops Section, at the plant industry station. I shall also be glad to appear before the committee.

We urge that every consideration be given to these requests. As mentioned earlier, it generally takes 10 years to complete a major project. Supplying food for the rapidly growing population will become a basic problem, and we cannot

overlook the importance of having our food crops produced in quantity and in the most economical manner to allow our farmers to have a standard of living comparable to other enterprises.

Also, as mentioned, I have been requested by major vegetable grower organizations throughout the United States to present these facts to the Agricultural Appropriations Committee and support of this request is available from all sections of the country.

Respectfully submitted.

JULIAN C. MILLER,
Head,[1] *Horticultural Research Department, Louisiana State University.*

FUR ANIMAL EXPERIMENT STATION, CORNELL UNIVERSITY

WITNESS

HON. MELVIN R. LAIRD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. WHITTEN. We are happy to have our friend and colleague on the Appropriations Committee as our next witness. You may proceed Mr. Laird.

Mr. LAIRD. Mr. Chairman and members of the committee, my purpose in appearing here today is to discuss what the mink farm industry and others feel is an urgent need for the appropriation of adequate funds for the improvement of the Department of Agriculture's Fur Animal Experiment Station at Cornell University. These facilities which are devoted to mink nutrition research are, in the judgment of all concerned, wholly inadequate and inefficient and under no measurement meet the present day research needs of a segment of our agricultural economy, the mink farming industry, whose annual gross national product now exceeds $100 million.

As near as we can determine, no one denies that the research facilities at the fur animal experiment station at Cornell are substandard. The Secretary's office has reported to us that the physical plant is inadequate and unsuitable, which condition has limited the character of the basic research on mink nutriton carried on at this station. The mink farmers themselves are vitally concerned, and recently advised us, after an inspection tour, that "* * * the rundown equipment and the miserable facilities make one wonder how any work at all can be done at the station.* * *"

Before getting into the specifics of the condition of the present facilities at Cornell, and recommendations as to how the situation there can be remedied, however, it might be well to briefly review the scope of the domestic mink-farming industry so that we can see just what we are talking about in the end product and in terms of dollars and cents.

SCOPE OF DOMESTIC MINK FARM INDUSTRY

In 1958 there were more than 5 million mink produced by the Nation's 6,000 domestic fur farmers having a value of over $100 million. The average price received for a ranch raised mink skin is between $19 and $20 based on the last 3 years sales of mink sold at auction. The

[1] Past president of the American Society for Horticultural Science and the American Potato Association, recipient of citation from the Quartermaster Corps for assistance with the food program during World War II, Progressive Farmers' Man of the Year for Louisiana in 1940, and Man of the South in 1947, named American Vegetable Man of 1957 by the Vegetable Growers' Association of America, listed in Who's Who and American Men of Science.

industry has more than doubled in size since 1953 when the Nation's farmers raised approximately 2½ million animals annually.[1] Domestic production has now leveled off as a result of certain economic forces and we do not expect to see any marked increase in the immediate future.

Mink farms are located throughout the entire United States with the heaviest concentration of producers in the area of the Great Lakes and Far Western States. As an example, the 12 top mink-producing States, which include Wisconsin, Minnesota, Washington, and Illinois, produce more than 85 percent of the total national production of ranch raised mink.[2]

A farmer engaged in the raising of mink as a full-time business must raise in the neighborhood of 1,200 mink annually. To carry on an operation of this size requires a capital investment of approximately $33,000, exclusive of breeder animals. The average producer raises about 2,000 mink a year, although there are a few large breeders whose individual annual production exceeds 15,000 animals.

From this very general picture of the mink-farming industry, we can readily see the importance of this industry to our overall agricultural economy, to say nothing of the 6,000 farmers and their families who depend on the success of their mink-farming operation for their livelihood.

MINK RESEARCH A NECESSITY

In the successful raising of any animal, as we all well realize, the art of animal husbandry is a most important factor, and this we have found to be particularly true in the field of ranch raised fur-bearing animals. It is not enough today for the fur farmer just to raise a "mink." He must raise a good mink if he is to stay in business in this highly competitive branch of agriculture. His mink must be large in size and have good fur quality, both as to color and texture. Our American mink farmers' product must compete with the tremendous quantities of foreign ranch-raised mink which are imported free of duty each year (presently 3 million skins annually) from Canada and the Scandinavian countries.

In order to meet the competition, our producers must continually search for methods to improve their own product—and this brings us back to the Federal station at Cornell University.

RESEARCH PLANT AT CORNELL COMPLETELY INADEQUATE

Nutritional requirements are the most important aspects of mink raising and the Secretary's office has informed us it is now planned that all the basic research on mink nutrition with USDA funds will be concentrated at Cornell.

As I said at the outset, the present facilities at Cornell are completely inadequate. Now, to be more specific.

There is presently no laboratory or office space in which the research personnel can carry on their work; an old shed is now used for this

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[1] Exhibit 1, attached, is reproduced from the "Report on Escape-Clause Investigation No. 79," of the U.S. Tariff Commission, table 1, p. 24, dated September 1959.

[2] Exhibit 1, attached, lists the 12 top mink-producing States. Information taken from the 14th Annual Fur Farm Statistical Report of the National Board of Fur Farm Organizations, Inc., 152 West Wisconsin Avenue, Milwaukee, Wis.

purpose. There are no facilities for a feed or mixing room used in the preparation of the food for the research herd which now numbers approximately 1,000 mink. The refrigeration equipment to store the food is constructed on an old truck bed and is most unsatisfactory.

The animals used in research are now located near the airport, the land is poorly drained, and the adjacent dog kennels enhance the chance of disease being spread and raises other very serious problems. This is most unsanitary, and is hardly a satisfactory place to undertake research work on the studies of nutrition and reproduction of mink.

We have attached a few photographs to the copies of this statement which were taken last month, and which probably best show the deplorable condition of the present facilities at the Fur Animal Experiment Station at Cornell.

CONGRESSIONAL APPROPRIATION NEEDED TO REMEDY CONDITIONS

What is needed to improve the situation which we have just outlined are two things: The necessary land on which to relocate the station at Cornell, and the funds to construct new facilities.

The officials of Cornell University have assured us that they will make available the land necessary for the relocation of the fur animal station. It will be up to Congress to provide the bulk of the necessary funds and we are requesting that such an appropriation should be made for the next fiscal year in order that there be no further delay, and to avoid the continued waste of the available talent in research personnel. As one of the industry officials reported last month following his view of the station at Cornell:

> Since the Federal Government is laying out a considerable sum each year ($25,000 at the Cornell fur station) to support a staff and pay for supplies, it seems a shame that the physical plant is so completely inadequate and run-down. * * * At the moment we are asking the Cornell and USDA workers to make bricks with straw; to conduct research for a $100 million a year industry with completely wornout pens and equipment.

Based in the best information made available to us at this time, we are advised that it would cost in the neighborhood of $150,000 to provide suitable physical facilities to effectively carry on the USDA's mink nutrition research program at Cornell. This would include a two-story building, consisting of space for feed, mixer, freezer and storage areas, laboratories, offices, and other work and service areas. In addition, this sum would provide for the purchase of equipment such as a feed grinder, mixer, and other necessities as well as the sheds and breeder pens to house the animals. Cost of labor and so-called contingencies are also included in the above figure.

While the mink farm industry realizes that this sum is substantial, it is satisfied that the building program as submitted provides only the basic necessities of a good research plant. The mink producers ask that we take into account that the success of their $100 million a year industry could, without excluding other factors, will depend on the carrying out of an adequate nutritional research program. As we have already pointed out, with the continued cost squeeze forced upon the mink farmer, new sources of feed supplies must be found. This will require a well-directed research program backed up with adequate facilities.

MINK FARMERS HISTORY ONE OF SELF-HELP

The mink farmers, as a group of agricultural producers, are to be commended for they are indeed unique in these days of price supports and subsidies. They have never asked for any Federal moneys by way of loans, price supports, or any other type of Government subsidy program. They handle their own marketing through industry financed cooperative organizations, and have not placed themselves in any respect as a burden, financial or otherwise, on the machinery of the marketing programs of the USDA.

The Mink Farmers Research Foundation, Inc., founded in 1951, and financed solely by the producers themselves, over the past 9 years, have made grants totaling $175,000 to various colleges and universities throughout the Nation to assist in the financing of studies on mink nutrition, genetics, and disease. Many of these grants are made to persons at Federal stations already working on projects partially sponsored by the USDA. This record of self-help would no doubt stand up to, and even far surpass, that of any other agricultural industry.

CONCLUSION

Needless to say in the instant case, the mink-farming industry is in no position, and has never been in a position, to assist in the financing of physical research facilities. We do not believe this is expected of any agricultural industry. The research facility which we have been discussing at Cornell University is a problem of the Federal Government.

The Secretary's office, as I said, advises us that improved facilities are needed—but that there are no funds available. The mink industry officials are strongly in favor of the program as I have outlined it to you; in fact, they feel it is an absolute necessity. The university officials know the present plant is grossly inadequate and are ready to provide the land for a new station—but all interested parties realize that Congress is the only source of adequate funds in this instance.

It is, therefore, urged that this committee provide for an appropriation of $150,000 to be made to the U.S. Department of Agriculture and especially earmarked for the construction of new facilities to be utilized in mink animal research at the U.S. Fur Animal Experiment Station at Cornell University.

(The exhibits follow:)

EXHIBIT I

TABLE 1.—*Mink skins, undressed—U.S. sales*

[In thousands of skins]

Year	U.S. sales (production)		
	Ranch	Wild	Total
1938	110	444	554
1948	1,526	741	2,267
1950	1,871	513	2,384
1951	1,967	639	2,606
1952	2,220	580	2,800
1953	2,483	538	3,021
1954	2,612	520	3,132
1955	2,912	455	3,367
1956	3,364	406	3,770
1957	4,417	349	4,766
1958	4,515	399	4,914
1959	5,078	400	5,478

Source: U.S. Tariff Commission, "Report on Escape-clause Investigation No. 79, Mink Skins, Under Section 7 of the Trade Agreements Extension Act of 1951, as amended," dated September 1959, p. 24.

The 12 top mink producing States in the United States, 1958

State	*Number of kits produced, 1958*	*State*	*Number of kits produced, 1958*
1. Wisconsin	1,700,000	7. New York	233,000
2. Minnesota	463,000	8. Oregon	208,000
3. Washington	316,000	9. Iowa	203,000
4. Utah	274,000	10. Ohio	175,000
5. Illinois	268,000	11. Pennsylvania	173,000
6. Michigan	246,000	12. Massachusetts	143,000

Source: 14th Annual Fur Farm Statistical Report of the National Board of Fur Farm Organizations, Inc., 152 West Wisconsin Ave., Milwaukee, Wis.

BUDGET OF DEPARTMENT OF AGRICULTURE, 1961

WITNESS

HON. LEE METCALF, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA

Mr. WHITTEN. Our next colleague to appear before the committee is our colleague, Mr. Metcalf from Montana. We will be glad to hear from you, Mr. Metcalf.

Mr. METCALF. I appreciate this opportunity to state the case of Montana's farm-based economy for adequate appropriations for the Department of Agriculture during fiscal 1961.

A word before going into detail. As you well know, it has become obvious that this administration is mishandling our farm program and will continue to do so. In 1952, appropriations for the Department of Agriculture accounted for $1 billion, or 1.5 percent of the budget. For next year, the President asks $5.6 billion, or 7 percent of the budget. The Eisenhower administration has spent or asked for almost $38 billion for what it calls "agricultural" programs, or more than triple the $12.5 billion spent during the previous 7 years.

While spending has tripled, farm prices are down 20 percent, surpluses up 636 percent. Farm income is down 34 percent, farm costs up 15 percent. Parity ratios are down 23 percent, the farmer's share

of the food dollar down 19 percent, farm debt up 43 percent, and the price of food to the consumer near the alltime high.

As I have pointed out before, most of the charges currently being made against the farmer don't get through to him.

Senator Murray and Senator Mansfield—who have asked me to associate them with my remarks—and I are particularly concerned with several items in this budget.

CONSERVATION

As you know, we in Montana, a State where we still have something to conserve, are strong advocates of soil and water conservation—with particular interest in the growing problem of water shortages.

We believe in expansion of scientific land and water use plans based on soil classification. We believe in an expanded small watershed flood prevention and agricultural soil, water, and related resource conservation program. We believe, also, that a vital part of such a program is consideration of all the multiple uses to which these natural resources are put, including recreation and fish and wildlife.

We urge that the authorization for the agricultural conservation practices (ACP) program be increased, from the budget request of $242.6 million, to the $250 million level approved by Congress in recent years.

Budget requests for the Soil Conservation Service also are inadequate to carry out the policies in which we believe; so we recommend increases of—

$15 million (from the budget request of $82.8 million) for conservation operations, and technicians to help farmers and ranchers develop and put into operation their own conservation plans;

$10 million (from $27.7 million) for watershed protection, to expand the small watershed program;

$5 million (from $15 million, a reduction of $3 million from this year) for flood prevention, to install flood prevention works; and

$8 million (from $10 million, the same as this year) for the Great Plains conservation program.

SCHOOL LUNCH

We are advised that the budget, as it should, includes funds to continue at about its present level this program to safeguard the health and well-being of the Nation's children by encouraging them to eat more nutritious food.

We support the request for $110 million of direct appropriations, the same as for this year. This, plus $40 million of section 32 funds for purchase and distribution of food commodities, and the special school milk authorization will continue direct Federal assistance to schools at about the present level during the year beginning July 1.

During the most recent months for which I have a report, 486 Montana schools were participating in the school lunch program, which was providing nutritious lunches for 46,472 children. The appropriation for the current year amounted to $373,146 for Montana, where our

schools, State institutions, and needy families also received $276,000 worth of surplus commodities during the first 6 months of this fiscal year. Exactly 366 schools and 3 child-care institutions are participating in the special school milk program, under which $142,000 was allotted to Montana this year.

RURAL ELECTRIC, TELEPHONE, AND FHA LOANS

We urge this committee to restore the deep cuts proposed by the administration in loan authorization for the rural electrification, telephone, and Farmers Home Administration programs which have meant so much to our farm communities. Proposed loan authorizations for fiscal year 1961 (with fiscal 1960) are for: rural electrification $110 million ($136 million), telephone $80 ($104), and FHA $177 million ($206 million).

RESEARCH

The major problem facing agriculture today is that of adjusting production to effective consumer demand. In part, the solution to that problem lies in research, which is why we urge appropriation of the full amount for this item.

For example, take the feed grain and wheat programs, for which price support and disposal amounted to more than $1 billion during the most recent year for which we have complete figures—a year during which our surpluses continued to mount. Ultimately some land must be shifted from production of these grains. Researchers will give our farmers the facts upon which they will decide the nature and extent of the shifts.

MARKETING

We understand the President's fiscal spokesman, the Director of the Bureau of the Budget, has allowed the Agricultural Marketing Service to ask for a $500,000 increase, which we support because it will include a substantial improvement in crop forecasts.

We feel there is a strong need for such improvement because of increasing dependence on these estimates not only by farmers but also by businessmen and those responsible for agricultural policy.

Similarly we support increases of: some $500,000 for marketing research, including improved quality grading, new and improved products, reducing deterioration of products in marketing channels and improvement in transportation and market facilities; $85,000 for more effective grain inspection; $216,000 for more adequate enforcement of the Packers and Stockyards Act; and $50,000 to strengthen enforcement of the Federal Seed Act.

SOIL-MOISTURE RESEARCH CENTER

We also call to the committee's attention the acute needs of eastern Montana and adjacent portions of North Dakota and Wyoming for a soil and moisture conservation research facility.

This area is an extremely dry portion of the northern Great Plains and for years it has been an area of hardship for the farmers and ranchers who live there. Over a period of several generations, farmers and ranchers have learned to live in this semiarid country,

and they have built up fine communities. Until recently, they were winning a hard battle against nature.

During the past 10 years a succession of droughts has almost defeated the men who live on the land. Year after year, subnormal precipitation and drying winds have ruined rangelands and pastures, and have shriveled crops. This continuing drought hangs like a pall over the eastern Montana area.

What is needed is new and improved techniques to conserve moisture and to use it most efficiently for feed and crop production. We must either learn better ways of getting along with the water and soil resources we have or lose the homes and towns that took generations to build.

Exactly the kind of research facility we need has been recommended by the advisory group appointed by the Secretary of Agriculture. Their report is printed as Senate Document No. 59, 86th Congress. It proposes an eastern Montana location for northern Great Plains soil and water conservation research. This would take advantage of the extensive climatic and other basic information accumulated for many years at the irrigation research station at Huntley, Mont., and it would be readily accessible to the State Experiment Station at Bozeman, Mont. Eastern Montana's soil and topography are typical of a wide area of the northern Great Plains.

Montana offers real cooperation in establishing this research facility. The local people of Sidney, Mont., and the soil conservation districts have purchased land that they will donate as the station site and the research plots. The State experiment station has offered to cooperate in the technical work and the businessmen and the county officials are all offering to help.

Last year, Senator Murray brought this need before the Senate Appropriations Committee. Then he arranged a conference attended by three members of the Montana congressional delegation with Assistant Secretary Peterson and officials of the Agricultural Research Administration.

What is needed now is a relatively small appropriation to do the basic planning for the research facility—site layout, architectural planning, and initial technical plans for the soil and water research program. In fact, just a few thousand dollars would get us going. I assure the committee that this could be one of the most important investments we have ever made in the northern Great Plains.

Mr. WHITTEN. Thank you for a fine statement. The committee has received a great deal of testimony on all of these subjects.

SOIL CONSERVATION

WITNESS

HON. CLEM MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. WHITTEN. We will hear next from our colleague from California, Mr. Clem Miller, who wishes to present a statement on Soil Conservation Service appropriations.

Mr. MILLER. Mr. Chairman, I know that you and your colleagues on this committee are firm believers in the value of soil conservation and in the work of the Soil Conservation Service.

Through the years you have made an immeasurable contribution to the future success of our Nation. You have seen to it that soil conservation is given consideration by the Congress as a blue-chip investment in our country's future rather than as just a "spending" item.

So, I want to express the appreciation of the people of my district—especially our farmers, ranchers and public officials. Along the north coast of California we have a high regard for the work of the Soil Conservation Service and for the support of this committee.

The people of California generally share this feeling and are holding up their end of the cooperative Federal-State SCS work. The State of California has increased its share of the financing of this work from $238,000 in 1958 to an estimated $590,000 this year. Next year's State budget estimate is $625,000.

I would like to mention two deficiencies that my soil conservationists see in this current SCS budget and to respectfully request that you consider more realistic appropriations for these items.

The budget simply would not permit assignment of enough technicians to perform the services our farmers need in the existing districts and to help new districts get started.

In California alone we expect to see 12 new soil conservation districts formed this fiscal year and 11 more organized in fiscal 1961. We naturally were dismayed to learn that funds are not sought in the budget to permit assignment of technicians to newly organized districts.

I know in my own district how thin the area conservationist and his undermanned and underpaid staff have had to spread themselves to perform the services Congress intends the Soil Conservation Service to perform.

Also, there is an urgent need for completion of basic soil surveys to determine highest land-use capabilities. This program, which is behind schedule, should be speeded up.

We have a problem of great magnitude in California—as in many parts of our growing country—because so much of our very best agricultural land is being taken out of production by subdivision, industry, and other nonagricultural uses. It is not wise to surrender top farmland in this manner when such development may just as well or better take place on less fertile lands. A fine farm lost to subdivision is just as irretrievably lost to farming as if lost by erosion.

I have been discussing this problem with Mr. Arthur Darsey, chief of the California State Division of Soil Conservation, and with the California State director of agriculture, Mr. William Warne. Mr. Warne has written me as follows:

> We ought to keep earnestly in mind the need to preserve our productive agricultural lands, and to keep them in agricultural production. One of our big problems is presented by encroachment of other interests on agriculture. Agriculture is one of our most important industries. It should be possible to develop California the way all of us would like to have the State developed without sacrificing her resources and sources of wealth.

We need these soil surveys now so that we may continue to grow and develop and yet preserve for agriculture uses those lands for which agriculture is the highest use. We need the soil surveys so that

our county and State planners may advise intelligently on highest probable uses for our lands.

I might note that the State of California has a soils and vegetation survey program and that it is coordinated with the Soil Conservation Service to avoid duplication.

Thank you very much for your consideration.

Mr. WHITTEN. We wish to thank you for appearing today on this very important work of the Department of Agriculture. We fully realize the need in this area.

ACP PROGRAM AND STATE EXPERIMENT STATIONS

WITNESS

HON. A. S. J. CARNAHAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. WHITTEN. Mr. Carnahan, we will be glad to hear from you now. May I say that we appreciate your appearance here today in connection with the ACP program and the State experiment stations.

Mr. CARNAHAN. Mr. Chairman, it is with great pleasure that I appear before you today in support of the agricultural conservation program—a program which I believe is the very backbone of this Nation's soil and water conservation effort.

I was shocked and deeply concerned when I learned that the administration had again recommended a reduction in the ACP for 1961. I strongly oppose this cut as in my opinion it is a step backward—a backward step this Nation can ill afford.

Soil is this country's greatest natural resource. It produces our essential food, fiber, and raw products. The soil does not belong to our generation or to any one generation. It belongs to all generations, present and future, and must be preserved for all times.

Our agricultural resources, unlike most natural resources, can be used and at the same time restored and improved. Conservation of oil, coal, or iron consists of preventing waste and making the best use of the supply so that it will last longer. Conservation of our soil, however, is this and more as it takes wise and skillful management so it can continue to yield indefinitely. Fortunately, this is possible for the soil is a highly complex and varied substance which builds itself from many sources.

Recognizing that it is in the public's interest for farmers to perform conservation measures on the land to protect our soil resources, Congress has, since 1936, wisely provided funds each year for the agricultural conservation program. The original legislation for this program provided $500 million; however, the funds authorized have varied from time to time and in recent years have been stabilized at $250 million a year.

In my opinion, this voluntary cost-sharing type of conservation program is the very incentive needed to encourage farmers to carry out the necessary conservation practices on their lands. Because of the present price squeeze the farmer is faced with, he would be unable to perform these needed measures if it were not for the ACP.

The President's budget recommends a reduction in the advance authorization for 1961 from $250 million to $100 million for the ACP.

I am firmly convinced that this cut must be blocked not only in the interest of our farm families, but for the conservation of our soil for future generations. There is no resource more precious to the American people than its soil. The ACP has and should continue to play an essential role in preserving this natural heritage for us.

While records for the 1959 program are not yet available, it appears that ACP will total about the same nationally as in 1958. The following are some accomplishments under the 1958 ACP which I feel point out significantly that the ACP is obtaining the maximum amount of conservation on the Nation's farms per tax dollar invested:

ACP assisted in applying soil and water conservation practices on 1,083,706 farms and ranches. The average amount of assistance per farm was $200.

ACP assisted in establishing nearly 2½ million acres of conservation cover. In addition to protecting the land, this conservation cover keeps land out of intensive crop production for at least 5 to 7 years and, in some cases, permanently.

Assisted in seeding almost 1½ million acres of additional rotation grass or legume seedings for soil protection. This keeps the land from producing surplus crops for at leat 2 or 3 years.

Assisted in planting a third of a million acres of trees for forestry purposes which permanently retired these acres from field crops and pasture.

And ACP assisted in improving 1,800,000 acres of grass and legume cover on farmland to extend its lifespan for conservation purposes. Much of this land, otherwise, would likely have been shifted sooner to more intensive use.

The effect of these shifts in land use is cumulative. The practices established will stay on and protect the land for periods ranging from the length of a rotation to permanently.

Of course, grass and tree cover are only part of the conservation investments farmers made with the ACP in 1958. Some of the other measures established with ACP cost-sharing included:

Over 63,000 water storage reservoirs, and nearly 5,000 miles of water diversions and spreaders.

Fifty-four thousand acres of permanent sod waterways, and nearly 856,000 acres terraced.

Almost a half million acres of stripcropping * * * and nearly 1⅔ million acres of drainage for conservation farming * * * and 1½ million acres of cropland tilled for temporary protection against wind and water erosion.

The need for the ACP in Missouri has been demonstrated repeatedly in past years by the response from farmers desiring to participate in the program. Under the 1958 ACP in my State, more than 43,000 farmers received cost-sharing assistance through the 114 Missouri county ASC offices amounting to a total of more than $10 million which means they contributed at least that much more out of their own pockets to carry out these conservation measures.

Improved grass and legume cover was established on 120,458 acres.

ACP assisted in installing terraces to control erosion and runoff on more than 30,000 acres and over 500 miles of diversion ditches and dikes to divert runoff were constructed. In conjunction with this, 709 mechanical outlets were installed as protection against erosion on these structures.

Drainage practices, such as open and closed tile drains and shaping and grading, were performed on more than 157,000 acres to dispose of excess water.

To improve grassland management, 3,528 livestock reservoirs were built.

ACP assisted farmers in establishing 137,146 acres of vegetative cover for winter protection from erosion and encouraged them to seed over 21,000 acres of cover to protect cropland throughout the crop year.

During that year, farmers were assisted with the application of liming material on 408,305 acres to insure an adequate vegetative cover for conservation purposes.

We in Missouri are proud of the steps farmers are taking to help conserve the natural resources of our Nation. However, much credit must be given to the ACP which encourages them to perform the needed conservation measures on their farms.

In conclusion, I would like to remind this committee of a fact I am sure they are aware of; that the responsibility of conserving the land and water which produces this Nation's essential raw products, food, and fiber, lies not only with the farmer who is entrusted with the use and care of our natural resources, but it is also in the public's interest to see that wise use is made of our soil and water resources. This can best be done under a voluntary cost-sharing program such as the ACP.

I strongly urge the committee to support the ACP at a realistic level. This should be at the full $500 million provided in the basic legislation, but in view of the budgetary limitations I believe we cannot afford, as a nation, to authorize less than the $250 million authorized in recent years.

Mr. Chairman and members of this committee, I also wish to say a few words in support of an increase in grants-in-aid to the State experiment stations which is badly needed for forestry research, soil, and water conservation research, and research in other fields of agriculture.

I understand that the Experiment Station Committee on Organization and Policy requests a 14-million increase. Some people may overlook the fact that more than two-thirds of this request is for forestry and related fields. Some Members of Congress may be reluctant to increase appropriations for agricultural research in view of the surplus of agricultural products but it is significant that the agricultural experiment station directors are reorienting the emphasis of research programs into fields where there was no surpluses such as wood products.

The budget recommendations is for an increase of $1 million for grants-in-aid to the State experiment stations. Based on the formula for allocation of grants-in-aid, Missouri would receive on the basis of the $1 million increase some $20,000. Five thousand to seven thousand dollars of this might go into forestry research. This is a small amount in comparison to what the State of Missouri has done during the past year in strengthening the forestry research program in the school of forestry.

The State legislature in Missouri last May made an appropriation of $80,000 for the biennium for the forest survey. This work, of course, is being carried on in cooperation with the U.S. Forest Service.

Recently the director of the agricultural experiment station approved a new full-time research position on the staff of the school of forestry, even though the increase in funds of agricultural research was relatively modest for this biennium. This position will be filled by a man who will devote full-time research in wood technology and products which is felt will be a tremendous help to the wood-using industries of Missouri. The annual cost of this position will be around $15,000 and it is mentioned to indicate the support which the State has been giving to the research program in the school of forestry. There is a need for strengthening of forest research in the forestry schools in order that these schools may be in a strong position to turn out better trained scientists for the future and in order that the State experiment stations may carry their proper share of the research activities in forestry.

I urge the Federal Government to do equally well in its support of forestry research in the agricultural experiment stations by granting an increase above the budget request in grants-in-aid to the State experiment stations.

Mr. WHITTEN. Thank you, very much.

AGRICULTURE CONSERVATION PROGRAM

WITNESS

HON. WILLIAM J. RANDALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. WHITTEN. The committee will be happy to hear next from our respected colleague from Missouri, Mr. Randall. You may proceed, sir.

Mr. RANDALL. Mr. Chairman, I am very much concerned about the administration's proposed cut in the 1961 agricultural conservation program from $250 million to $100 million. Here is a program which has been in operation since 1936, and has proven without a doubt to be the best method of encouraging farmers to carry out needed conservation practices on their lands. I cannot conceive why the administration year after year attempts to curtail this worthwhile program. Without this program, the Nation's conservation effort, not just in behalf of farmers, but the future well-being and security of all our citizens, would be drastically curtailed.

Despite the great strides we have made since the passing of the Soil Conservation and Domestic Allotment Act, there is still need for more conservation—not less. Intensive cropping is still destroying organic material faster than we can replace it. Stasticians have predicted that this Nation's population will be 235 million by 1975. In order to feed these people our soils will need to be more productive and more fertile. Should we fail to conserve our soil, we surely will reach the point where the cropland available will not feed our people. This has already happened in China and India, which were once fertile areas. History shows us many examples of civilizations which fail to survive because they neglected their soil.

Conservation practices and conservation farming are costly to the farmer, especially when returns are indefinite and often far in the future. With the farm dollar decreasing in value during the last 8

years, there is an immediate increased need for a cost-sharing type of program such as the agricultural conservation program. Certainly this is no time to reduce this program. Neither should it be made less flexible. It should remain sufficiently flexible to permit individual farmers to determine what practices they need to perform to conserve soil and water resources on their farms.

The ACP is this type of program. It is sound. It is accepted. It is getting the job done. It is not a static program. The fact that it is reviewed and revised each year at county and State levels by farmers and local agricultural officials assures the continued improvement of its suitability to the needs of the locality and to changing conditions.

I am very proud of the conservation measures being taken under the ACP by the farmers in Missouri. Over 43,000 farmers participated in the program during 1958 carrying out needed conservation practices on their lands. I want to assure you that the farmers in my district look upon the ACP program as one of the most vital parts of a national farm program. The ACP and its cost-sharing provisions has resulted in a substantial increase in the application of conservation practices which means a substantial improvement in good farm management practices. Today, we not only have better farms in Missouri as a result of the ACP program, but better livestock and healthier people.

Gentlemen, I am sure that I don't need to tell you the job of conservation is just as important to the consuming public as it is to the farmer. The laborer, businessman, and other vocations we have in this country are just as dependent upon the products of the soil for their personal maintenance as the farmer himself. Therefore, the small amount of the taxpayers' money going into the ACP is the best insurance he has ever bought for the safety and security of this generation and of generations that are to follow.

Mr. Chairman and members of the committee, I urge you to maintain the ACP at the present level of $250 million for the 1961 program, as I firmly believe without this program, the conservation efforts of this Nation will suffer.

In closing, Mr. Chairman, I would like to say briefly that I am pleased to see the administration has recommended for fiscal 1961 a $3,301,545 increase over the 1960 appropriation for cooperative extension service work. This increase is for payments under the Smith-Lever Act to strengthen and expand extension work with disadvantaged agricultural families in connection with the rural development program. As the educational arm of the Department of Agriculture the Extension Service has played a leading role in the development of this Nation into the leading agricultural producing nation of the world. The Extension Service people in my district have a fine record of bringing to our farmers the latest results of research and economic analysis as well as information on Government programs directly affecting their welfare. I am sure this committee will support this increase as to disallow it would impair the effort of the Extension Service to keep pace with the increasing needs in the States for Federal guidance and leadership in extension work.

Mr. WHITTEN. Thank you for a fine statement. We appreciate your testimony on these important subjects.

WITNESS

HON. THOMAS G. ABERNETHY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. WHITTEN. We are most happy to have our friend and colleague and my fellow Mississippian, Tom Abernethy, before the committee at this time. He is well informed in all agricultural matters, having served on the committee on agriculture for many years. We respect his judgment and value his counsel.

Mr. ABERNETHY. Mr. Chairman and members of the subcommittee, I deeply appreciate your affording me this time to testify in support of an increase in appropriations to the Agricultural Extension Service, specifically that which has been recommended by the Association of Land-Grant Colleges and State Universities in the sum of $6 million.

The Congress created the land-grant college system by passing the first Morrill Act in 1862. The hand-in-glove working relationship of the Department of Agriculture and the land-grant colleges since 1862 is true evidence of the mutuality of interest and effort which has existed over the years. I point this out merely to emphasize that the relationship of the Department and the land-grant colleges is one of long standing and one of mutual interest in many aspects of rural life.

The Association of Land-Grant Colleges and State Universities is organized to give careful and considerate attention to its working relationships with the Department. The executive committee of the association each year reviews carefully the agriculture and home economics program needs of the people in their respective States and the minimum resources needed. After considering the needs, this committee recommended an increase in Federal appropriations for payments to the States in the amount of $6 million for fiscal year 1961. This compares with a budget request of $2,865,000 for payments to States in fiscal year 1961.

I want to very briefly speak for an increase in payments to States in the amount of $6 million for fiscal year 1961.

Three years' experience with the rural development program on a pilot basis has demonstrated progress that people can make through this effort. I understand that the purpose of the $2,860,000 proposed budget increase is primarily for expanding rural development work beyond the pilot basis and to incorporate this work into the ongoing extension program.

While I am in complete sympathy with expending increased amounts of both Federal funds and funds from within the States for rural development, I want to point out that extension has other needs which cannot be met by expanding the rural development program. Cost of doing all kinds of business have constantly gone up. This is equally true on the costs of conducting extension education work. These costs are represented in costs of travel, costs of printing, costs of communications, costs of supplies and equipment, and costs of improved competency of extension workers.

At no time since the inauguration of extension work has the job required a higher degree of competency. Modern agriculture is a

highly complex, complicated operation. The successful farmer today must apply the science of technology available to him more precisely than at any time in history. Extension workers who render the most assistance must be able to relate the many phases of science and technology more precisely to problems of individual farm operations. This means that the extension agent today must be competent to be a counselor and adviser on total farm operations as well as on specific practices. This competency applies equally to our home economics work and work with our youth through the 4–H Clubs.

In addition to the need for increased competence to work effectively with the producers of agricultural products the problems of efficient marketing cannot be ignored. Efficiency in the marketing of the products of our farms has lagged far behind the efficiency of farm production. The Extension Service can render agriculture, marketing agencies and the consumer a real service by strengthening its educational work in marketing and by so doing increase efficiency of market operations comparable to the increase in efficiency of farming.

The Extension Service has expanded its inservice training program for its present staff in order to make their work more efficient. The Extension Service is currently competing with varying degrees of success for the services of our most competent college graduates. The outcome of this competitive struggle for the most competent individuals will in the long run determine how efficiently the results of research and technology move from the laboratory to the farm, the market and the home.

While salaries in some States are adequate to attract highly competent workers this is not true in many others and particularly in my own State of Mississippi. The result is that the Extension Service in many States, including Mississippi, frequently finds itself unable to compete in recruiting the most capable personnel. When it does succeed in recruiting top personnel they are soon lost to other agencies or private industry which is capable of paying them more attractive salaries.

In those States where salaries are too low the most pressing need in terms of efficient, economical educational work is to provide the salaries necessary to employ highly competent workers.

A few months ago I receive a communication from Mr. M. S. Shaw, associate director of extension in Mississippi, wherein he said:

> As you know, the Extension Service must maintain personnel that are capable of commanding the respect of the people with whom we work if we are to effectively carry out our basic functions of education and leadership in agriculture and rural living. Our agents must be better than good. Yet, within the past 12 months we have had 172 separations from the ranks of county agents, home demonstration agents, and their associates and assistants. Practically all of these people left the organization for better paying positions. This is not a healthy situation.

Without any hesitancy I agree with Mr. Shaw that "this is not a healthy situation." Therefore, it is incumbent upon us that we take appropriate steps to correct it. That step is to grant the full $6 million as recommended by the executive committee of the Association of Land-Grant Colleges and State Universities.

The States have demonstrated that where the Congress intended for increased appropriations to be used for salary adjustments such funds were used for that purpose. The States have also made sub-

stantial increased appropriations from within the States using a high percentage of those funds for salary adjustments. This has not been enough in many States. Substantial increases when divided among the many counties have not permitted those States to keep pace with other employment opportunities available to the competent college graduates. Until extension salaries are adequate to attract and retain the most competent among the college graduates the efficiency with which the extension service can operate in terms of the application of research findings to the problems of our people will be reduced.

The recommended increase of $6 million in payments to States would permit a substantial increase in the rural development effort as well as permit the States to make necessary adjustments in their overall extension operations to strengthen the total program and increase the efficiency in which that program operates.

I respectfully urge and recommend that you include in the appropriation bill the full $6 million.

Mr. WHITTEN. Thanks again for taking the time to appear before us. As you realize, we have a very difficult problem this year in handling this bill within budget limitations.

COOPERATIVE EXTENSION SERVICE

WITNESS

HON. PRINCE H. PRESTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Mr. WHITTEN. Our next witness will be our longtime friend and colleague on the Appropriations Committee. He has been before this committee on many occasions and we always listen with interest to what he has to say.

Mr. PRESTON. Thank you, Mr. Chairman.

Since the inception of the Cooperative Extension Service, one of its major responsibilities has been to work for the overall improvement of agriculture. Specifically, it has been charged by law with the responsibility for conveying to farmers agricultural information obtained through research at agricultural experiment stations within the land-grant college system. From the beginning, the keyman in this educational process has been the local county agricultural agent.

The achievements of county agents in discharging this responsibility are too numerous to mention. Suffice it to say that a number of impartial surveys show that, among all the sources of information available to the farmer, he relies most heavily upon the county agent and seeks his counsel more frequently than that of any other person or source.

By thoroughly acquainting himself with the facts and working tirelessly to assist the farmers of his county in applying these facts to their own individual farms, the typical county agent has won the respect and admiration of, not only the farmers with whom he works, but of all others engaged in agricultural pursuits who know him. The remarkable increases in per unit yields of crops and livestock, the quick adoption of new practices such as the use of hybrid corn, and the general improvement in the living levels of farm families—all these testify to the technical competence and persistent zeal of the county agent as educator and benefactor of rural people.

Today, more than ever before, the capabilities of our county agents are being tested in the crucible of agricultural economics. Since World War II our farm operations have become almost completely mechanized and the value of farmlands has increased tremendously. These factors have combined to make the vocation of farming, on even medium-sized farms, a big business requiring investments for land, machinery, equipment, and farm supplies in amounts undreamed of a few decades ago. As a result, successful farming is increasingly becoming the task of highly intelligent businessmen who must be well-schooled in decision making and in employing a wide variety of managerial skills. Mistakes in the selection of seed, breeding stock, an insecticide can be costly to the point of bankruptcy. Consequently, farmers are more and more demanding specific recommendations from sources of optimum reliability.

The burden this places upon the county agent is almost overwhelming. In order to maintain his position as the most reliable source of agricultural information and counsel in the county, he finds himself compelled to make quick decisions involving the success or failure of a wide variety of farm enterprises—from recommending a chemical for weed control to anticipating most favorable marketing conditions for beef cattle. A single wrong guess on his part might mean the loss to the farmer of thousands of dollars.

Furthermore, as the gap between lower prices received for farm products and higher costs of production continues to widen, the county agent stands more than ever between success or failure for the farmer who can maintain his present net farm income only by reducing the per unit cost of production, and the per unit cost of marketing.

All these harsh facts of agricultural life apply at a time when agriculture is becoming increasingly important to the welfare of the citizens of this Nation. Farmers today, as always, are producing all the foods and fibers consumed by all our citizens. Surely this invaluable service cannot be expected to become less important as demands for more foods and fibers are constantly increasing due to the population explosion we are now experiencing in this country. In addition to supplying all foods and fibers consumed by all our citizens, agriculture still serves as the foundation of much of our Nation's industry as the supplier of raw materials for processing and manufacture. In Georgia, for example, 55 percent of all persons employed are engaged in jobs directly related to agriculture.

One of the greatest challenges facing extension workers today is that of providing more boys and girls an opportunity for growth and development through 4–H Club work. Four–H Club work in our State continues to grow and expand, but with 148,365 members in Georgia, we are only reaching 1 out of 4 eligible boys and girls. This program of equal training and development of the head, heart, hands, and health needs to be carried to more of the youth of our land.

In order to give our county agents the support due them as they grapple with the increasingly complicated problems of agricultural production and marketing and 4–H Club leadership, the Cooperative Extension Service is sorely in need of additional funds. The typical county agent would be the first to admit that he needs more knowledge and skill which he can obtain only through advanced study. Exten-

sion needs additional funds to give county agents more opportunities for advanced study on both the inservice training and graduate school levels.

The Cooperative Extension Service also needs additional funds for securing and keeping better qualified agents by raising salaries to levels which are more competitive with those offered by other agricultural agencies and by business firms related to agriculture. By any fair and just comparison county agent salaries can only be judged to be too low in light of the qualifications and responsibilities required by the profession.

Additional funds are needed also if Extension is to supply county agents with the tools adequate to do the job being demanded of them. Such tools include up-to-date technical information, equipment for teaching with visual aids, and adequate compensation for travel necsary to do the job.

If county agents are to continue to render the service of which they are uniquely capable to farmers, who are hard pressed as never before for sound counsel and advice, somehow means must be found to give each county agent in America the full support of adequate financial resources. Both he and the farmers he serves have long since proved themselves entirely worthy of every consideration in this regard. Mr. Chairman, I am aware of your time schedule and do not feel disposed to impose further on the committee. I thank you for this opportunity.

Mr. WHITTEN. Thank you, Mr. Preston. I think I should point out that the Extension Service has had an increase in appropriations for payments to States of $21.6 million, about 70 percent, since 1952.

Mr. PRESTON. I must concede that this is a sizeable increase.

INSPECTION OF POULTRY

WITNESS

HON. J. W. TRIMBLE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. WHITTEN. We are happy to have before us next, Mr. Trimble, of Arkansas, who has through the years shown his close interest in those things which are of the most benefit to the farmer and the people of the country.

Proceed, Judge.

Mr. TRIMBLE. Mr. Chairman and members of the committee, thank you for permitting me to make this statement. It concerns poultry. The industry has come a long way from the time when I looked forward to Sunday when the preacher would eat with us and we would have fried chicken. Poultry is no longer an occasional treat but is one of our most economical meats and more delicious than ever.

About 2 years ago a Poultry Products Inspection Act was enacted. It required poultry products moving in interstate commerce to be inspected and approved for wholesomeness by the Department of Agriculture. It is my understanding it was intended that inspection be required for slaughtering and eviscerating plants and for plants which did further processing of poultry products. Further processing in-

cludes such operations as making turkey or chicken pies, TV dinners, and canning poultry.

Apparently because of a lack of funds the Department does not provide continuous inspection for further processing operations. Such plants have to meet the sanitary requirements of the act, must use only poultry which has been approved at a slaughtering and eviscerating plant, and is subject to spot inspections by an inspector. Their products bear an exemption statement because an inspector has not been in the plant continuously. The Department was given this exemption authority untill June 30 of this year.

If a company wants a USDA label stating that its product has been inspected and approved it may arrange with the Department to keep an inspectcor on hand all the time it is engaged in further processing operations. The company must pay for this inspection. Then the company can use the USDA inspected and approved label.

It is my belief the exemption authority should not be extended beyond June 30, 1960, and that an inspector should be present during all further processing operations. This requirement would result in the USDA inspected and approved label's appearing on all further processed poultry products moving in interstate commerce and would assure the consumer that continuous inspection had been provided.

Similar requirements are already in effect for other further processed meats moving in interstate commerce. The same safeguards should be provided in poultry operations.

It is my information that the cost of this program will be in the range of $500,000 to $1 million. It is my plea that you gentlemen recommend the amount necessary to put the program into effect.

Mr. WHITTEN. Thank you very much. This has been a difficult problem, as you know. But we will do the best we can.

SCHOOL LUNCH PROGRAM, MEAT AND POULTRY INSPECTION AND THE FOOD STAMP PLAN

WITNESS

HON. LEONOR K. SULLIVAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. WHITTEN. We come now to our good friend and respected colleague from Missouri, Mrs. Sullivan, who appears before us each year on meat inspection and other items. We are glad to have you here today, Mrs. Sullivan.

Mrs. SULLIVAN. Thank you, Mr. Chairman. As the members of the subcommittee know, I have appeared before you a number of times in past years to urge adequate appropriations for such items in the Agriculture Department's budget as the school lunch program, meat and poultry inspection, distribution of surplus foods to the needy, and various other programs of the Department of Agriculture which are important to urban areas of our country. I am happy to say that this subcommittee has usually shown great awareness of the importance of these programs even though the present Secretary of Agriculture has frequently demonstrated very little concern for the consumer viewpoint, and his budget requests have usually been inadequate for consumer-type services conducted by his Department.

I do not want to go into any great detail on the budget items this year. For instance, I know it is not necessary for me to take your time to urge fair treatment for the school lunch program. I am well aware of the fact that the only reason the school lunch program in the past several years has been as effective as it has been is that members of this subcommittee have insisted on it, and the House has demanded such action. I will support you, I can assure you, if, following your review of this appropriation request, you once again recommend more money for this program than the budget recommends.

MEAT INSPECTION

On meat inspection, however, I am not sure we see exactly eye to eye. As I recall, I was the only Member of the House to take the floor last year, during debate on the agriculture appropriation bill, to protest some language you wrote into your report concerning the matter of further Federal inspection during processing operations of meat products containing meat which had already been inspected for wholesomeness at the time of slaughter. In your report, you called for a study of the need for such continuous inspection, indicating that perhaps some money could be saved by eliminating the requirement that meat going into meat pies, and meat products of various kinds made from inspected meat, must be inspected again in this secondary processing operation.

The information I have since obtained about this issue strengthens the view I expressed last year. Meat inspectors in St. Louis with whom I have discussed this matter have informed me of numerous instances in which they have spotted and condemned processed meat products which were totally unfit for human consumption, even though the meat which went into them had originally been passed for wholesomeness at the time of slaughter. Each day, in St. Louis alone, hundreds of pounds of meat products are condemned as tainted, sour, putrid, unsound, contaminated, rancid, poisoned by contact with certain metals, or even containing fragments of glass. So the follow-up inspection is most necessary.

The meatpackers whom I know are not anxious to poison the consumer. On the contrary, they work hard to assure a safe and sanitary and nutritious product. They are, I might say, among the biggest boosters of an adequate meat inspection program and are in the forefront of demanding adequate funds for this work. Enlightened business recognizes the importance of maintaining consumer confidence in its product, and that is why the enlightened meatpackers want adequate funds for meat inspection that must include funds for continuous inspection in the processing operations. So I ask that you not attempt to save a little money by cutting this item, because a budget cut on meat inspection would be a serious thing to the consumers of this country and to the meatpackers who are anxious to assure a wholesome product. Only the unscrupulous or fly-by-night operator would benefit from shortcuts on meat inspection, and that is exactly the kind of operator we don't want to benefit from the laws we pass. So I urge the full budget amount be provided for the Agricultural Research Service item for meat inspection, including funds for inspection of processed items.

POULTRY INSPECTION

As you all know, I was one of those Members of Congress who took an active role in the enactment in the last Congress of the Poultry Products Inspection Act. This act provided for an exemption until July 1, 1960, for the output of those processors for whom the Department of Agriculture could not immediately provide inspectors. The budget for the coming year fails, however, to request the additional funds which will now be required—about $1 million—to pay the salaries of inspectors who will be needed in the 1961 fiscal year to inspect the output of processors which up to now have been exempt under this provision. I am informed that the Department has suggested new legislation continuing the exemption indefinitely for firms making poultry pies and similar processed items. I would bitterly oppose such a step. The Poultry Products Inspection Act has been of tremendous benefit to the country—to the consumers, the processors, and the farmers. We now have assurances that nearly all the poultry we eat is wholesome. Until a few years ago we did not have that assurance on most poultry. There is no reason to weaken the act by opening up exemptions Congress did not intend, and has not agreed to.

Hence, under the present law—under law which should not and probably will not be changed between now and July 1—the Department must provide inspectors by July 1, 1960, for about 300 poultry-products plants which are at this time still exempt under the act. These are the plants which make poultry pies, soups, and so forth, and which were originally exempted for a short time because Congress recognized there would be difficulty in hiring enough qualified inspectors to cover all of the slaughtering plants as of the time the new act went into effect, so there was a reason to provide for temporary exemptions of this nature for processors at the convenience of the Department.

But these temporary exemptions expire as of June 30 of this year. No convincing reasons have been put forward to continue those exemptions beyond that time. Most of the exempted plants—about two-thirds of them, I understand—are already set up physically for inspection, and are, in fact, so anxious to have inspection that despite their exemption from the compulsory inspection program they are paying their own funds to have their products inspected under the voluntary Federal poultry-inspection program. Obviously, then, inspectors are available for those plants. There is no reason, then, to continue exempting them. They are entitled to have inspection on the same free basis as the slaughtering plants, rather than to have to pay for it out of their own funds.

As for the 100 additional processing plants now exempt and not participating under the voluntary inspection program, we should take direct action to serve notice that as of July 1 they had better be set up for Federal inspection—including the required sanitary conditions—if they want to remain in interstate commerce after that date. The best way to accomplish that sort of warning is for the Congress to appropriate the additional $1 million which will be required as of July 1 to pay the costs of a complete inspection program for all poultry and poultry products processed and sold in interstate commerce.

If we don't appropriate the funds, a lot of these uninspected plants will probably see no urgency in getting set up for inspection—getting the proper equipment and installing required sanitary facilities—and if they have to do this at the last minute, they will really be up against it. For let me repeat that the law allows for no administrative exemptions for poultry in interstate commerce after June 30.

While I am discussing poultry inspection, I might say that I am again wondering aloud as to the wisdom of the Secretary of Agriculture in placing the poultry-inspection program under the producer-conscious Marketing Service rather than making it a coequal agency with Meat Inspection in the more independent-minded Agricultural Research Service. This latest incident of not seeking funds for inspection in the plants which are now temporarily exempted is yet another instance of tepid concern for the consumer interest. I will say that the Meat Inspection Branch, on the other hand, has usually felt much more free to battle for the highest standards of consumer interest in its work.

SURPLUS FOOD DISTRIBUTION—AND FOOD STAMPS

Now I want to ask you to do me, and the Congress, and the American people, a big favor. I want you to write into your report on this bill language which reiterates that it is the intent of Congress that the Secretary of Agriculture utilize the authority he already possesses under law for the distribution of surplus foods to our needy under a food-stamp plan, and stating that it is the intent of this committee of the Congress also.

Such a statement in the report will not in itself increase by a single cent the amount you will be appropriating in this bill. For, of course, the Secretary would still have to come back to Congress and to the Appropriations Committee to request a supplemental appropriation if a food-stamp plan were actually to go into effect. I would like this subcommittee, however, in connection with the regular agricultural appropriation bill, to make it clear that the Congress is prepared to appropriate the funds for a food-stamp plan, if the Department shows its willingness to carry out the intent of Congress and put such a plan into operation.

We have widespread distress among farmers, we have billions of dollars worth of surplus food and we have millions of undernourished Americans—persons not getting enough to eat. The cost of distributing a few surplus foods to the needy at the present time is out of all proportion to the benefits the recipients obtain. Most of these costs are shouldered onto localities which find it uneconomic and burdensome to have a full-scale distribution setup for the purpose of distributing such a little bit of food—items like cornmeal and flour and dried skim milk and occasionally some butter or cheese.

Under the food-stamp plan approved by Congress last year, however, these storable items—plus perishables which are removable under section 32—could be distributed directly through the regular grocery stores. The food industry, I am sure, would be delighted to participate for very little or no profit—just if their costs were covered—if the Department of Agriculture would make the effort to set up such a program, and enlist the food industry's cooperation. It would certainly help the farmer.

Therefore, since you are the subcommittee which directs the Department of Agriculture on how to use its money and what to use it for, I ask that you write wording such as this into your report:

The committee notes that no funds have been requested by the Department for the implementation of the food-stamp plan enacted by Congress last year. While the law gives the Secretary discretionary powers in placing the program into effect, the conference report on the bill extending Public law 480 made clear that Congress intended that the food-stamp plan should be utilized to distribute surplus food items to needy Americans. The Committee on Appropriations therefore recommends that the Department prepare and submit by July 1, 1960, a detailed plan for implementing the food-stamp law, and that it indicate the cost of putting such a specified plan into operation in the 1961 fiscal year, so that Congress can then appropriate the funds necessary to place a departmental food-stamp program in operation.

The wording is rough—I am aware that you do not need my help in writing the language of your report. I am just trying to express the thought. And I sincerely hope you will take this step as a means of ending the complacency of the Department of Agriculture over the tragic contradiction of so much surplus food, so many impoverished farmers, and so many Americans not receiving adequate diets. Thank you.

Mr. WHITTEN. We appreciate your statement and wish to thank you for presenting it to us.

BUDGET FOR THE DEPARTMENT OF AGRICULTURE, 1961

WITNESS

HON. AL ULLMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. WHITTEN. We will hear next from our friend and colleague, Mr. Ullman of Oregon. You may proceed, sir.

Mr. ULLMAN. Mr. Chairman and members of the subcommittee, I appreciate this opportunity to present a statement on the appropriations proposals before you and I will confine my statement to some brief general comments and four specific aspects of the Department of Agriculture budget.

First, let me say that I fear that these budget requests, like budget requests for other departments and agencies, provide further evidence that the Budget Bureau of this administration is undercutting important and needed programs. I am concerned about this pattern in the field of agriculture. Frequently, I am afraid, in cases where the technicians in the executive agencies have developed programs to meet specific national needs, the Budget Bureau applies the veto and these programs never see the light of day. The result, in area after area, is that we fall behind our needs and our economy and people suffer. I submit, gentlemen, that this is no way in which to meet the challenge of "competitive co-existence" which Mr. Khrushchev repeatedly hurls at us.

Now, let me put this general concern into specific terms relative to the budget proposals you are considering.

SOIL AND WATER CONSERVATION RESEARCH

In 1958, the Appropriations Committee of the Senate requested that the Department of Agriculture "make a study of facility needs for research on soil and water problems." Pursuant to this request, Secretary Benson appointed a working group which carried out such a study and reported early last year. Their report was printed as Senate Document No. 59. As a Representative of a western district where these problems of soil and water conservation are particularly acute, I was and am naturally very much interested in the findings of this working group and in their proposals. I can graphically point up that concern with one example. Of 32 specific soil and water conservation problems, the report found that their solution was of the greatest urgency to at least a part of my district in 18 instances, and of high urgency in 5 more instances.

The working group proposed an expanded program of research, including increased field station facilities. I need not go into details regarding this proposal but I note that it included capital construction funds of $7.2 million and proposed operating funds of $6.7 million. The 1959 level of operating funds was $2.1 million and the budget proposals for the coming fiscal year are, I understand, at substantially the same level. In other words, gentlemen, with the Bureau of the Budget wielding its budgetary meat ax, the Department of Agriculture is not even attempting to implement the program in soil and water conservation research that its own technicians have recommended. I urge the members of this subcommittee to give serious consideration to expanding the funds for this program and at least making a start next year on the job which, as Senate Document 59 points out, needs to be done.

BRUCELLOSIS ERADICATION PROGRAM

Let me turn now to a second example of this pattern, with which I am sure you gentlemen are familiar. I refer to the brucellosis eradication program which the Department of Agriculture is proposing to cut back for a second straight year. Again, this is a program which the Department's technicians have recognized as important and for which they have earlier formulated a schedule. Again, we need only look back to last year and the program which the Department outlined to complete the eradication of brucellosis. This program would have been completed by 1969–70 at a total cost to the Federal Government of $372.9 million. But that was evidently before the Bureau of the Budget got their chance at the program, because when the proposed budget for the Agriculture Department came to the Congress, it asked only $15 million for this purpose instead of the $20.6 million which was called for by its earlier schedule.

It has been pointed out that the result of this shortchanging of the program would be to delay completion until 1981 and run the total cost up to $636.3 million. Now, the budget proposal for fiscal year 1961 again includes only $15 million or a further 10-percent reduction from the current schedule. Testimony presented last year raises grave doubts as to the possibility of ever completely eradicating brucellosis on this basis. In other words, the Bureau of the Budget is asking the American taxpayer to spend more money to do less. Again, let me urge this subcommittee to expand the funds appropriated for this program

and to put it back on the original schedule. To do so would result, in the long run, in great savings to the American taxpayer as well as to livestock producers who lose an estimated $25 million a year as a result of the continuation of this disease.

FARMERS HOME ADMINISTRATION

I wish now to turn to two vital agricultural credit agencies: the Rural Electrification Administration and the Farmers Home Administration. With regard to the latter agency, I would like to express concern that its program is gradually being changed to something different from what the Congress intended. It was instituted to furnish needed credit to low-income farmers who were unable to secure it from the traditional sources. It was, I believe, contemplated that these would be small loans but vital ones to the people concerned. It seems to me that in recent years the agency's pattern of operation has moved away from this intent and put it increasingly into the field for which the Congress provided another instrument of policy, the land-bank system. A possible ultimate result of such a change might be to make the Farmers Home Administration appear unnecessary in this field and to eliminate it, leaving the low-income farmers with no agency operating to meet their needs at all. I call the attention of the subcommittee members to the figures for recent years which show a steady decline in the number of loans granted and concurrent steady increase in their average size, with one exception—the average size of soil and water conservation loans has been greatly reduced. By gradually tightening its lending standards, the agency has left many worthy farmers out in the cold, without any source of financing.

In addition to my concern over the pattern of the agency's operation, I again wonder if the requests which come out of the Budget Bureau provide adequate loan funds for the program. The Administrator, of course, assures me that his agency does not suffer from a lack of appropriated funds. On the other hand, I have had specific instances in my district, and probably you gentlemen have also, in which a lack of adequate funds precluded approval of an otherwise acceptable loan application. I think this is particularly true in cases where veteran's preference rights do not exist.

I also note that very recently the Bureau of the Budget has released half of the $20 million contingency fund which was included in last year's appropriations for this agency. I presume that this action is indicative of a need. The budget proposal of the President for the coming fiscal year does not include a contingency fund provision similar to that provided last year. I ask that you gentlemen consider seriously the possibility of again including such a contingency fund, as well as scrutinizing most carefully the entire question of the adequacy of the funds asked for the Farmers Home Administration.

RURAL ELECTRIFICATION ADMINISTRATION

Finally, I want to mention briefly the proposals relating to the REA. All of us are aware of the job which the rural electric cooperatives have done and are continuing to do. There are 11 such systems serving consumer members in my district. As you know, the Bureau of the Budget is requesting $110 million for this program

for fiscal year 1961. This amount, by itself, would not be adequate but the agency expects to have a sizable carryover from the current fiscal year. Whether or not the two together will be adequate to the needs of the program depends in large measure on the outcome of loan requests now pending before the Administration. In past years you gentlemen have, very wisely I believe, provided for this situation by including a contingency reserve of $25 million. I feel that this "cushion" might well be needed in fiscal year 1961 and I hope that you will provide it again, as you have in the past.

Thank you again for this opportunity to put these comments into the record.

Mr. WHITTEN. Thank you. We are happy to have had you before our committee today.

PLANT AND ANIMAL QUARANTINE PROGRAM

WITNESS

HON. THOMAS G. NORRIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. WHITTEN. We are happy to welcome before our committee our colleague, Mr. Tom Morris from New Mexico. You may proceed, Mr. Morris.

Mr. MORRIS. Mr. Chairman, thank you very much for granting me the privilege of appearing before your committee in support of additional funds for the proper operation of our plant and animal quarantine program.

Nearly 1,000 foreign vessels from 43 countries entered the seaway during 1959. Federal plant and animal quarantine inspectors were stationed at only four of the many ports where cargo was unloaded. In addition, air traffic requiring inspection has increased 600 percent since World War II. About twice as many vessels and six times as many airplanes were inspected last year as compared to 1944. More than four times as many vehicles were inspected along the Mexican border.

The Khapra beetle was intercepted at 44 ports of entry in 1958. It was found aboard a foreign vessel docking at Cleveland. We already have spent more than $6 million in an eradication program in the Southwest following the discovery of this insect in 1953. Prompt and intensive efforts are proving successful. But they all may come to naught if we allow further infestations to occur.

During the past season the excellent cooperation of the customs service and of Canadian agricultural officials afforded better coverage at Great Lakes ports than the agricultural quarantine inspection staff could have given alone. It is obvious, however, that the agricultural inspection staff in the Great Lakes area must be strengthened.

A small budget increase has been recommended by the Secretary of Agriculture for the plant and animal quarantine programs. This small increase is not enough to permit these services to meet their expanded responsibilities, and I urge that at least twice that amount be appropriated. These quarantine stations are our first line of defense. In addition to adding inspectors at the new ports of entry, the quarantine staffs at the older coastal and international airports need

strengthening. Without adequate staffing of our first line of defense, the results of years of livestock and plant improvement programs could be lost by the introduction of foreign pests.

I urge that the funds for the plant and animal quarantine program be increased sufficiently to permit it to meet its greatly expanded current responsibilities.

Also, I earnestly urge that you authorize and appropriate funds for a regional watershed hydrology laboratory in New Mexico.

Since hydrology is concerned with studying the origin, distribution, and properties of the waters of the earth, intensified research in the scientific field is highly essential. Hydrologic research is valuable, not only in planning engineering projects, but also in forestry, agriculture, and all activities involving water supply and use.

Hydrology is a rather young science and most of our current concepts of hydrology date since 1930. Sufficient progress has been made for this science to provide us with highly useful tools. However, many of the important hydrologic problems are only partially understood. Much more fundamental hydrologic research is still keenly needed.

Lack of hydrologic research has contributed to a number of tragic consequences. Some of the areas where adequate information is lacking are the intensity, distribution, and frequency of precipitation; evaporation, streamflow variations, underground water levels, and directions of underground waterflow; geological structures, soil infiltration, and saturations; vegetative consumption of water; snow properties; special needs and peculiarities of arid areas; sedimentation and application of hydrologic techniques to designs of reservoirs for water storage and flood control; designs for spillways and storm drains; and the application of hydrologic research findings to forecasting riverflows, particularly in periods of potential danger.

Lack of hydrologic research is also a major reason why watershed protection and flood control have been inadequate with resulting loss of lives and property. Crop failures and droughts have caused hardships even perhaps in instances where unknown water supplies may have been stored underground.

Chester O. Wisler and E. F. Brater, in their book on "Hydrology," 1959, page 13, estimate that probably more than 90 percent of the failures of hydraulic structures are directly due to lack of hydrologic information rather than to structural weaknesses.

It is essential that regional watershed hydrologic research laboratories be established in our country to study the various causes and trends of variations as well as intensities of water and its relation to many other physical factors which vary because of location and changing conditions. Information from such studies also will help the Federal and State Governments to legislate more effectively concerning water problems.

The people of the United States now consume about 240 billion gallons of water a day. Although this volume appears large, it is substantially less than that our rapidly expanding population will require in the future. By the year 2000, the daily water consumption in the United States may triple and reach 600 billion gallons.

It is estimated that useless phreatophytes, saltcedar, and other plants which consume water through their roots now wastefully consume at least 25 million acre-feet, or 8,146 billion gallons of water per year.

This is a waste which we just cannot afford, particularly in the arid Southwest. Additional study of these wastages and of other water problems is desperately needed.

The Department of Agriculture, in its report on "Facility Needs—Soil and Water Conservation Research," Senate Document 59, 86th Congress, 1st session, 1959, has advocated that four to six major experimental watershed hydrologic research centers be established in various parts of the country. Each hydrologic laboratory should be so located that it can act as a headquarters to plan, initiate, and coordinate its own necessary studies with those related programs of Federal, State, local, and private organizations and individuals in the area.

A regional hydrologic laboratory is very important to the dry, arid southwest region. New Mexico is an ideal central location for a hydrologic research laboratory to coordinate hydrologic research activities of the many water development organizations and individuals of the southwestern area. I urge that you authorize and appropriate funds for establishment of a hydrologic research laboratory in the State of New Mexico.

Thank you.

Mr. WHITTEN. Thank you, Mr. Morris, for your statement.

PLANT AND ANIMAL QUARANTINE PROGRAM

WITNESS

HON. GEORGE McGOVERN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH DAKOTA

Mr. WHITTEN. Our next witness will be the Honorable George McGovern, of South Dakota, who has long been interested in agricultural matters.

Mr. MCGOVERN. Mr. Chairman and members of the subcommittee, The plant and animal quarantine protection program of the Department of Agriculture is vital to the public welfare. I understand that a major portion of the increase represented in the requested $504,600 appropriation for this program will be used to provide quarantine protection on the St. Lawrence Seaway. There is an urgent need to establish adequate inspection of traffic through the seaway.

May I respectfully request your approval of the requested funds. In support of my own position, I wish to include for the record of the hearings the following letter sent to me by Lawrence O. Fine, the Head of the Agronomy Department at the Agricultural Experiment Station in Brookings, S. Dak.:

(The letter is as follows:)

SOUTH DAKOTA STATE COLLEGE,
OF AGRICULTURE AND MECHANIC ARTS,
Brookings, S.Dak., March 12, 1960.

Hon. GEORGE MCGOVERN,
House of Representatives,
Washington, D.C.

MY DEAR MR. MCGOVERN: I have been informed that the item providing for plant and animal quarantine protection (which is part of the USDA budget now before the Congress) may need strong support.

Alarm has been expressed in plant protection circles over the failure of the USDA to provide adeqaute quarantine protection on the St. Lawrence Seaway in 1959. No emergency funds have been requested for the April opening of the seaway this spring.

The tremendous potential benefits of the seaway to farmers in the upper Midwest and this State, in terms of reduced transportation costs, and cheaper manufactured products, could be offset by the introduction of any one of several very serious plant or animal pests and diseases. Right now, as you know, the Khapra beetle is one major area of concern. We feel that the need for funds to properly inspect incoming ships and commerce constitutes a valid emergency, and should be so speeded through Congress.

Provision for the protection of our present agricultural plant is like the purchase of fire insurance; it costs money, and it's worth cannot be marketed. Only it's failures or absence tends to be noticed, and the cost of providing remedial measures usually far exceeds the cost of the quarantine services.

I do appreciate that you are busy, and that the routine protection of agriculture as an industry may be missed or overlooked in the general problem of remedial farm legislation. Nevertheless, such routine services need adequate support. An additional production problem at this time might force our agriculture to accept limitations and increased costs fully as binding as any laws or cost price squeeze.

Very truly yours,

LAWRENCE O. FINE,
Head, Agronomy Department.

Mr. WHITTEN. Thank you, Mr. McGovern.

COMMUNICATIONS RELATING TO VARIOUS PROGRAMS OF THE DEPARTMENT OF AGRICULTURE

Mr. WHITTEN. I have received a number of communications from Members of the House and the Senate, as well as from private individuals and organizations, on the appropriation needs of various activities of the Department of Agriculture. It has been requested that these be made a part of the record. Without objection, all of these statments will be placed in the record at this point.

(The statements and communications are as follows:)

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 16, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture,
Committee on Appropriations,
Washington, D.C.

DEAR MR. CHAIRMAN: The congressional delegation of Oklahoma at a special meeting has discussed in detail the funds needed for upstream flood prevention construction and planning during fiscal 1961. Concerned at the inadequacy of the sums proposed in the budget, we have adopted the following resolution which we wish to call respectfully to your attention:

"Whereas the budget message of President Eisenhower to the Congress recommends an appropriation of $27,750,000 for construction and $3,500,000 for planning under the Watershed Protection and Flood Prevention Act for fiscal 1961; and

"Whereas these amounts represent an actual reduction from the sums in fiscal 1960, when $22,750,000 was appropriated for construction with a $9 million carryover, and $4,900,000 provided for planning; and

"Whereas the prompt implementation of this program is vital in order to save the soil of our rural areas, and

"Whereas local organizations, locally controlled, upon whose vitality and enthusiasm this work is dependent, are prepared for a much larger amount of construction in the coming fiscal year and need results to maintain their momentum:

"Now, therefore, we, the undersigned Members of the Oklahoma congressional delegation, do resolve that the House Appropriations Subcommittee on

Agriculture be requested to approve sufficient funds for upstream flood prevention in fiscal 1961 that local organizations can proceed with the work for which they will be ready, which in Oklahoma will include a total of 107 retention pools with a Federal contribution of $5,157,652.

Sincerely yours,

ROBERT S. KERR, *U.S. Senator.*
MIKE MONRONEY, *U.S. Senator.*
PAGE BELCHER,
Member of Congress, District 1.
ED EDMONDSON,
Member of Congress, District 2.
CARL ALBERT,
Member of Congress, District 3.
JOHN JARMAN,
Member of Congress, District 5.
TOBY MORRIS,
Member of Congress, District 6.
TOM STEED,
Member of Congress, District 4, Delegation Secretary.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 4, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Agriculture Subcommittee,
House Appropriations Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: I call to your attention and request that you place in the record of your current hearings the attached memorandum from the Florida Citrus Commission which relates to the Market News Service of the Department of Agriculture.

The commission is asking the Congress to allocate $150,000 annually to expand the Service's program of the collection daily and the monthly reporting of unloads of fresh fruits and vegetables from 38 cities to 75 cities.

This, of course, is a matter of great importance to the fruits and vegetable industries of the Nation. I will appreciate any consideration you can give to this request in your deliberations on the appropriations for the Department of Agriculture.

With all good wishes, I am,

Sincerely yours,

JAMES A. HALEY,
Congressman, 7th District.

FLORIDA CITRUS COMMISSION,
Lakeland, February 29, 1960.

Hon. JAMES A. HALEY,
U.S. Congressman,
Washington, D.C.

DEAR JIM: The Florida Citrus Commission for a long time has needed accurate reports of unloads of fresh oranges, grapefruit, and tangerines in major U.S. markets. At the present time, the Market News Service of the U.S. Department of Agriculture is collecting daily and issuing monthly records of unloads of fresh fruits and vegetables in each of 38 major cities. We find these reports to be completely accurate and very useful in carrying on our marketing, advertising and merchandising programs.

However, inasmuch as all of the United States is our market for citrus, the present 38 cities unloads reports are incomplete for our purposes. Therefore, we would very much appreciate your presenting the attached letter to the proper committees of Congress in which we request that the unloads reports be expanded to 75 U.S. cities. We understand that the Appropriations Subcommittee of the House Agricultural Committee is currently holding hearings and may consider this item.

With favorable congressional action on this request we can more effectively administer the Florida citrus industry's advertising and merchandising efforts. We have been advised that the International Apple Association is also interested in this matter.

Sincerely yours,

HOMER E. HOOKS, *General Manager.*

MEMORANDUM TO BE PRESENTED TO APPROPRIATE COMMITTEES

The Florida Citrus Commission has operated continuously since 1935 representing and serving all phases of the Florida industry, especially in matters of advertising and merchandising. This organization collects and accounts for the excise taxes imposed by law upon citrus fruit grown in Florida.

This year approximately $4 million will be spent to advertise Florida citrus and another $1,500,000 to merchandise our fine products. At the present time, the Market News Service of the U.S. Department of Agriculture is collecting daily and issuing monthly records of unloads of fresh fruits and vegetables in each of 38 major cities. We find these reports to be completely accurate and very useful in carrying on our marketing, advertising and merchandising programs. We have looked to the U.S. Department of Agriculture "38 Cities Unloads" reports to determine, (1) the rate of movement of fresh Florida oranges, grapefruit, and tangerines to selected U.S. markets, (2) allocation of our advertising dollars according to market volumes indicated, and (3) an evaluation of the effectiveness of our merchandising efforts in these markets. However, inasmuch as all of the United States is our market for citrus, the present 38 cities unloads reports are incomplete for our purposes.

It is imperative that we gear our services to all major markets according to indicated volumes, and in order to do this, as well as give greater effectiveness to this Florida self-help program, we ask Congress to allocate $150,000 annually to expand the present 38 cities unloads reports to 75 cities. This sum of money, which is nominal when viewed by our usage of the results, would not only be of invaluable aid to industry, but would also enable the Department's agricultural researchers to develop newer, and perhaps even more effective methods of collecting the unload data for fruits and vegetables on a daily basis.

HOMER E. HOOKS, *General Manager.*

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 22, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture,
Committee on Appropriations,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Confirming conversation today with your staff member, Mr. Pope, I am enclosing herein three letters received from the office of the Governor of Nebraska and the University of Nebraska, relative to the additional funds requested by the Department of Agriculture for plant and animal quarantine protection.

I know that your subcommittee has recently held hearings on this subject, however, the attached letters may be of some value for inclusion in the record.

Yours sincerely,

LARRY BROCK, *Member of Congress.*

STATE OF NEBRASKA,
Lincoln, March 15, 1960.

Congressman LAWRENCE BROCK,
U.S. Representative, Washington, D.C.

DEAR CONGRESSMAN BROCK: I am taking this opportunity to drop you a line to call your attention to the problem of port inspections.

As you will recall, last year the St. Lawrence Seaway was opened with much fanfare. The opening of this seaway now permits thousands of oceangoing vessels from all over the world to discharge their cargoes at Great Lakes ports. In reality it has opened up a fourth coastline. It now raises the threat of introducing into the heart of the agricultural land of this country numerous dangerous insect pests, plant and animal diseases new to this country. Just one of these new pests introduced through one of these ports could cost the agriculture of these United States many millions, yes even billions of dollars.

Last year very little was done on the part of the Federal Government, on whose shoulders the responsibility lies, to provide for adequate inspection of the cargoes of ships arriving at these ports. We are told that funds are restricted as for the hiring of new men to man these ports.

At a recent meeting in Columbus, Ohio, the central plant board, which is composed of the State regulatory officials in charge of insect pests and plant diseases in 13 Midwestern States, this matter was given serious discussion. The board arrived at the conclusion that it was necessary that the plant quarantine division of the ARS needed $100,000 emergency funds immediately to allow them to adequately staff these new ports on the Great Lakes until July 1. It was also felt their funds should be increased by $1 million each year over the next 5 years so as to provide the proper type of inspection at all of our ports, airfields, and border stations. Federal inspection staffs have not expanded to keep pace with the ever-increasing workload. Air traffic requiring inspection has increased 600 times since World War II. Nearly twice as many vessels are inspected today than there were 15 years ago. Vehicle traffic crossing our borders has also increased four times during the same period. The situation was made more critical by the opening of the St. Lawrence Seaway.

Any help you can give in seeing to it that plant quarantine divisions receive adequate funds to properly staff these ports will be of great help.

With kindest regards, I am,

Very truly yours,

BUREAU OF PLANT INDUSTRY,
C. J. WALSTROM, *State Entomologist.*

THE UNIVERSITY OF NEBRASKA,
COLLEGE OF AGRICULTURE,
Lincoln, Nebr., March 14, 1960.

Congressman LAWRENCE BROCK,
House Office Building,
Washington, D.C.

DEAR MR. BROCK: It has just been brought to my attention that nearly 1,000 vessels from 43 foreign countries entered the St. Lawrence Seaway during 1959; also, that Federal plant and animal quarantine inspectors were stationed at only four of the many U.S. ports along the seaway where these vessels unloaded cargo.

This situation is one which, in my judgment, poses real threats to American agriculture. The Government has spent millions of dollars over the years in preventing the importation of foreign plant and animal diseases and insects that would prove harmful to the production of crops and livestock in the United States. In the interest of protecting not only our past investment in these programs but in the protection of American agriculture, it is important that this siuation be corrected at the earliest possible moment.

It is my understanding that the Department has asked for an increase of $500,000 to strengthen plant and animal quarantine. In my judgment, this amount is inadequate to do the job needed and I would urge that funds be included above those included in the budget being presented to strengthen this program and to provide funds for training additional inspectors. This additional support is needed not only to provide better quarantine facilities along the new "coastline" but to provide more adequate inspection at older ports.

May I respectfully urge that this matter receive your early and serious consideration and that you support the request for additional funds to strengthen these activities.

If I can furnish additional information, please advise me.

Sincerely,

W. V. LAMBERT, *Dean and Director.*

THE UNIVERSITY OF NEBRASKA,
COLLEGE OF AGRICULTURE,
Lincoln, Nebr., March 16, 1960.

Congressman LAWRENCE BROCK,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN BROCK: I would like to take this means of urging your support of increased Federal appropriations to strengthen the plant and animal quarantine protection program of the U.S. Department of Agriculture. The past efforts in this area of work have been most beneficial, but increased support

is needed now as a result of the new St. Lawrence Seaway. The possibilities of introduction of serious diseases and insects is greatly increased by the tremendous increase in the number of vessels coming to many more ports, carrying imports from countries all over the world. The Department cannot possibly service all of this expanded need with its present resources. Each year many potential pests are intercepted at the various ports of entry. In 1957 a total of 3,024 interceptions were made of insects on imported plant parts or as stowaways and 559 interceptions of plant diseases.

Further information on the value of inspection is indicated from the following quote from an address by Dr. M. R. Clarkson, Deputy Administrator, ARS, before the agricultural section of the American Association for the Advancement of Science in December 1957. He said:

"Last year, also, plant quarantine inspectors made more than 290,000 interceptions of prohibited or restricted plant materials at ports of entry. Sixty of these interceptions involved plants infected with citrus canker, a threat to the entire citrus production of this country. Nearly 300 fruitflies were intercepted, including the Mediterranean fruitfly on 62 occasions and the Oriental fruitfly 17 times. Either of these pests could cause millions of dollars' worth of damage annually if they became established here. Other interceptions included the pink bollworm of cotton 42 times; the golden nematode, a pest of potatoes and tomatoes, 83 times; and the Durra stem borer, a threat to corn, sorghum, and sugarcane production, 10 times."

It is my understanding that a hearing on the quarantine program will be held before the Agricultural Subcommittee of the House Appropriations Committee at 3 p.m. on Friday, March 18. I trust you will see your way clear to support this much-needed increase in a very important activity.

Sincerely yours,

E. F. FROLIK, *Associate Director.*

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 22, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture, Committee on Appropriations,
House of Representatives.

DEAR MR. CHAIRMAN: Mr. John Z. Duling of the Duling Tree Expert Co., Muncie, Ind., has presented cogent reasons for increasing to $250,000 the appropriation for staffing and equipment at the Delaware, Ohio, laboratory. His letter relating to this matter is submitted herewith for the information of the committee.

It is good to have an expression from a man so highly skilled in this scientific field, and I trust his communication will be made a part of the record on this appropriation hearing.

Sincerely yours,

RANDALL S. HARMON,
Congressman, 10th District, Indiana.

DULING TREE EXPERT CO.,
Muncie, Ind., March 9, 1960.

Representative RANDALL HARMON,
Washington, D.C.

DEAR REPRESENTATIVE HARMON: It has come to my attention that our Congress appropriated $350,000 for the construction of a laboratory for the research of trees and woody shrubs, which by now is near completion near Delaware, Ohio.

I am sure that this will be a great step forward in the research of diseases and insects of woody shrubs. For the first time in the history of the USDA it now has facilities with which to give tree and shrub diseases the study and research that is needed.

A request has been made that the Crops Research Division, Agricultural Research Service, appropriation for work at the Delaware, Ohio, laboratory be increased to $250,000,000. This would permit proper staffing of the laboratory and provide necessary equipment. I urge you to support this appropriation.

I respectfully request that this letter be made a part of the record on this appropriation hearing.

Yours truly,

JOHN Z. DULING.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 15, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture, Committee on Appropriations, House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Oklahoma State Soil Conservation Board has adopted a resolution supporting increased figures above the budget request for the Public Law 566 program.

I am enclosing a copy of the statement of the board, which contains a detailed breakdown showing that more than $5 million could be used in Oklahoma alone during fiscal 1961 for construction and planning.

It will be much appreciated if this letter from Mr. Hershel Burrus, executive director of the State soil conservation board, can be made a part of the record.

With kindest personal regards, I am,

Sincerely yours,

TOM STEED, *Member of Congress.*

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 15, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR JAMIE: I am enclosing herewith a letter from Mr. Herschel Burrus, executive director of the Oklahoma State Soil Conservation Board, in which he calls attention to a resolution passed by the board at its February 8 meeting.

I heartily concur in the board's recommendations. May I respectfully request that this letter be given the careful consideration of your distinguished subcommittee and that it be made a permanent part of the record?

I feel it is imperative that the upstream flood prevention program be continued full speed ahead.

Sincerely yours,

CARL ALBERT,
Member of Congress, Third District, Oklahoma.

OKLAHOMA STATE SOIL CONSERVATION BOARD,
Oklahoma City, Okla., February 11, 1960.

Hon. CARL ALBERT,
Member of Congress,
Washington, D.C.

DEAR CONGRESSMAN ALBERT: The State soil conservation board, at their regular meeting on February 8, reviewed in detail the President's recommended budget to the Congress. So far as we can determine, funds for upstream flood prevention are going to be far short of what could and should be used in Oklahoma, both for construction and planning. The State board respectfully invites your attention to the following resolution which they adopted:

"Whereas the budget message of President Eisenhower to the Congress recommends an appropriation of $27,750,000 for construction of works of improvement and $3,500,000 for planning under the Watershed Protection and Flood Prevention Act (Public Law 566 as amended by Public Law 1018) for fiscal year 1961; and

"Whereas this amount in addition to the carryover funds from fiscal year 1960 will not allow those watersheds that are planned and ready for construction to start construction; and

"Whereas the recommended budget proposes a cut in planning funds, when in reality there should be an increase to meet the need and demand for the upstream flood prevention program: Now, therefore, be it

"*Resolved by the Oklahoma State Soil Conservation Board*, That, the Oklahoma congressional delegation be requested to seek an increase in the appropriation for the construction phase of the Watershed Protection and Flood Prevention Act (Public Law 566 as amended by Public Law 1018) to $50 million; furthermore, be it

"*Resolved*, That the Oklahoma congressional delegation be requested to seek an increase in the funds for planning to $5 million."

Whatever help you can be to the upstream flood prevention program of Oklahoma, I know will be appreciated by those whom this program will benefit.

Following is an estimate of the funds that can be used in Oklahoma in the fiscal year 1961:

	Number of sites	Total
Little Deep Fork	11	$375,100
Big Wewoka	11	533,200
Long Branch	6	438,500
Sandy	2	139,500
Little Wewoka	10	311,500
Salt	6	276,800
Bear, Fall, and Coon	[1] 4	400,000
Whitegrass-Waterhole	3	134,193
Caney-Coon	18	687,600
Upper Clear Boggy	71	3,296,393
Total		

[1] Plus channels and laterals.

In addition to the above estimate, we feel that the watersheds listed below may be able to use the following amounts of money if and when they are approved:

	Number of sites	Total
Upper Black Bear	12	$480,000
Leader-Middle Clear Boggy	10	500,000
Timber	7	436,289
Halkey	3	135,000
Fourche Maline	4	310,000
Total	36	1,861,289
Grand total		5,157,652

Yours very truly,

STATE SOIL CONSERVATION BOARD,
By HERSHEL BURRUS,
Executive Director.

HOUSE OF REPRESENTATIVES,
OFFICE OF THE DEMOCRATIC WHIP,
Washington, D.C., February 25, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thanks very much for your letter of February 16 concerning our request for increased appropriations for the watershed protection program (Public Law 566). I hope you will not feel I am being bothersome, but I am sending some more information which I believe may be helpful in the consideration of this request by your distinguished subcommittee.

You will recall that the resolution of the Oklahoma State Soil Conservation Board which was forwarded you on February 15, 1960, recommended an appropriation of $50 million for installations and $5 million for planning. Those figures are very consistent with figures furnished the Honorable Robert S. Kerr, senior U.S. Senator from Oklahoma, last June by the Department of Agriculture, showing the projection of its needs to the fiscal year 1966. You will note that it suggests an appropriation of $44,250,000 for the year 1961. A copy of the figures is enclosed herewith.

I will appreciate it if you will make these figures a part of the record of your hearings, too.

With kindest regards and best wishes, I am

Sincerely yours,

CARL ALBERT,
Member of Congress, Third District, Oklahoma.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 19, 1959.

HON. ROBERT S. KERR,
U.S. Senate
(Attention: Mr. Don McBride).

DEAR SENATOR KERR: In accordance with your recent request and subsequent conversation, we are pleased to provide the enclosed tables indicating rough estimates projecting the watershed protection and flood prevention programs through 1966.

It should be understood that these projections cannot be considered as official or as a recommendation by this Department since they have not had budgetary consideration in either the Department or the Bureau of the Budget.

If you have any questions or desire further information, please call on us.

Sincerely yours,

E. L. PETERSON, *Assistant Secretary.*

Watershed protection (Public Law 566)—Applications, planning, installations

Activity	Fiscal years										
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
APPLICATIONS											
1. Received	194	165	175	235	250	275	300	325	325	325	325
2. Received cumulative at end of year (3+5+8)	547	712	887	1,122	1,372	1,647	1,947	2,272	2,597	2,922	3,247
3. Not suitable for planning, cumulative at end of year	200	280	300	325	350	375	400	425	450	475	500
PLANNING											
4. Authorized, current year	172	96	96	90	105	120	135	160	185	185	185
5. Authorized cumulative (6+7+12+13)	172	268	364	454	559	679	814	974	1,159	1,344	1,529
6. Suspended or terminated, cumulative	10	39	71	75	80	85	90	95	100	105	110
7. Planning in process at end of year (5−(6+10))	149	187	193	189	189	194	199	209	229	249	269
8. Remaining to be planned at end of year (2−(3+5))	175	164	223	343	463	593	733	873	988	1,103	1,218
INSTALLATIONS											
9. Authorized, current year	13	29	58	90	100	110	125	145	160	160	160
10. Authorized, cumulative (12+13)	13	42	100	190	290	400	525	670	830	990	1,150
11. Completed current year	------	------	2	5	10	20	30	40	50	60	70
12. Completed cumulative	------	------	2	7	17	37	67	107	157	217	287
13. In process (10−12)	13	42	98	183	273	363	458	563	673	773	863

Watershed protection (Public Law 566) and flood prevention (authorized watersheds)—Obligations through fiscal year 1958 and estimates through fiscal year 1966

WATERSHED PROTECTION (PUBLIC LAW 566)

Activity	Obligated by fiscal year			Estimated by fiscal year							
	Cumulative June 30, 1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Planning (WP–2–1)	$4, 612, 605	$3, 903, 666	$4, 545, 954	$4, 700, 000	$5, 000, 000	$5, 500, 000	$6, 000, 000	$6, 500, 000	$7, 000, 000	$7, 000, 000	$7, 000, 000
Installations (WP–2–2) [1]	16, 338	3, 519, 534	6, 337, 257	18, 100, 000	26, 000, 000	36, 300, 000	45, 800, 000	56, 300, 000	67, 300, 000	77, 300, 000	86, 300, 000
River basin investigations (WP–3)	187, 092	737, 732	762, 361	1, 000, 000	1, 000, 000	1, 250, 000	1, 500, 000	1, 500, 000	1, 750, 000	1, 750, 000	2, 000, 000
Loans (WP–4)			11, 405	100, 000	1, 000, 000	1, 200, 000	1, 700, 00	2, 500, 000	3, 000, 000	3, 500, 000	4, 700, 000
Subtotal, watershed protection (Public Law 566)	4, 816, 035	8, 160, 932	11, 656, 877	23, 900, 000	33, 000, 000	44, 250, 000	55, 000, 000	66, 800, 000	79, 050, 000	89, 550, 000	100. 000, 000
FLOOD PREVENTION											
Installations	[2] $56, 733, 387	[2] $12, 001, 733	[2] $13, 385, 676	$18, 376, 363	$18, 000, 000	$20, 000, 000	$21, 000, 000	$22, 000, 000	$23, 000, 000	$24, 000, 000	$25, 000, 000
Total, watershed protection and flood prevention	61, 549, 422	20, 162, 665	25, 042, 553	42, 276, 362	51, 000, 000	64, 250, 000	76, 000, 000	88, 800, 000	120, 050, 000	113, 555, 000	125, 000, 000

[1] Provides for completion of pilot projects after fiscal year 1960.
[2] Excludes emergency measure obligations.

NOTE.—Carryover funds are assumed to be constant and are not taken into account after fiscal year 1960.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 29, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR JAMIE: I would like to submit this statement as part of the record of your hearings in behalf of the proposed increase in the budget proposals for the Extension Service.

I think that a total of at least $6 million should be added to the appropriation bill, earmarked for salary increases for the extension program.

Despite the many services which are provided to assist the American farmer, the county agent is still the basic focal point of all governmental assistance that is provided. To maintain the best type of dedicated personnel in the Extension Service, the salary range must be brought to a more attractive level.

In recent years we have lost a number of experienced extension workers in my district to other job offers, some of them to other Government agencies. Perhaps the greatest loss has been that of the promising young men who have decided not to enter extension work as a career because of more attractive competitive offers.

Cordially,

FRANK E. SMITH, *Member of Congress.*

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 16, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Agriculture Appropriations Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed herewith is copy of a letter received by me from Mr. O. R. Stark, Jr., executive vice president of the First National Bank in Quitaque, Tex. In view of the fact that Mr. Stark's letter points up the workability of the Great Plains conservation program, I will be grateful if you will make his communication a part of the records of the hearings of your committee for fiscal 1961.

Sincerely yours,

WALTER ROGERS, *Member of Congress.*

THE FIRST NATIONAL BANK,
Quitaque, Tex., February 29, 1960.

Hon. WALTER ROGERS,
Member of Congress,
Washington, D.C.

DEAR MR. ROGERS: Before long it will be time for appropriations to be set on the Great Plains program throughout the United States, and we thought perhaps you might like to have the benefit of our experience with it from the ground level.

We believe the Great Plains program is one of the most beneficial programs ever passed for the farmers and ranchers of Texas. It is designed whereby it will help the small farmer as well as the large operator, and it is a sound year-by-year program to conserve and build our lands. It has already been of inestimable value to this immediate area, for as you probably realize, this offers in many cases the only opportunity for some farmers and ranchers to have a complete, long range conservation plan for their places.

In our monthly newsletter, and through many direct contacts, we have constantly encouraged our customers and friends to look into this fine program, and at this writing over 30 percent of Briscoe County is in the Great Plains program. A large number of others have signed up, but funds are not available for planning.

We cannot form words strong enough to tell you how much we believe in this program, but we can only ask your help in getting as much appropriated for it as possible. It would be considered a personal favor to this area if you would appear before the Appropriations Committee in support of it, and then let us know what the outlook and feeling is regarding it.

With every good wish to you, I am,

Sincerely,

O. R. STARK, Jr.,
Executive Vice President.

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
March 18, 1960.

Hon. JAMIE WHITTEN,
Chairman, Agricultural Appropriations Subcommittee, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN WHITTEN: Enclosed is a statement regarding one item of the U.S. Department of Agriculture budget for fiscal year 1961.

I would greatly appreciate it if your committee would give this statement consideration and include it in the transcript of the hearings on the 1961 appropriations for the U.S. Department of Agriculture.

Sincerely yours,

HUBERT H. HUMPHREY.

STATEMENT BY HUBERT H. HUMPHREY, SENATOR FROM MINNESOTA, TO AGRICULTURAL APPROPRIATIONS SUBCOMMITTEE OF HOUSE APPROPRIATIONS COMMITTEE

I appreciate having the opportunity to present this committee with a statement regarding the U.S. Department of Agriculture budget item requesting $504,600 of additional funds to be used in part to expand plant quarantine and inspection services at ports on the St. Lawrence Seaway.

The very real danger of new pests and plant diseases being introduced into States bordering the Great Lakes has been a matter of grave concern to State officials, farm organizations, grain terminal and elevator operators, port authorities, businessmen, and trade associations.

Existing inspection of incoming cargo vessels from all over the world has proved to be inadequate in the face of increasing traffic on the seaway. An Insect and Pest Control Conference of interested individuals and representatives of the Canadian Department of Agriculture and the U.S. Department of Agriculture was held in Duluth, Minn., last August to discuss in detail the situation. The consensus of the conferees was that preventative inspection services should be set up in the Great Lakes area immediately. The cost of establishing and maintaining such services is only fractional compared to the eventual financial losses possible through the entry of plant and animal pests. The peril is not confined to any single geographic area. Every State is endangered.

The departments of agriculture of the States bordering the seaway stand ready to share in the responsibility and administration of adequate quarantine and inspection services. Mr. Byron G. Allen, commissioner of the Minnesota State Department of Agriculture, Dairy, and Food has informed me that he has personnel available for scientific training for this service.

Since last September, I have been in correspondence with the Secretary of Agriculture, urging him to take immediate steps in this matter. I am very glad that the U.S. Department of Agriculture recognizes the hazards inherent in the situation and has requested additional funds in order to assist the States.

It is my hope and recommendation that this committee will approve the requested increase in funds in order to set up the needed inspection and quarantine safeguards on Lake Superior and other parts of the St. Lawrence Seaway.

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
March 17, 1960.

Hon. JAMIE L. WHITTEN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WHITTEN: Enclosed for your information is copy of a self-explanatory letter I have received from Mr. J. G. Watts, of the New Mexico State University, and I would appreciate your including this in the proceedings of Friday March 18.

Thanking you for your attention, I am

Sincerely,

DENNIS CHAVEZ, *U.S. Senator.*

NEW MEXICO STATE UNIVERSITY
OF AGRICULTURE, ENGINEERING, AND SCIENCE,
University Park, N. Mex., March 14, 1960.

Hon. DENNIS CHAVEZ,
U.S. Senate, Washington, D.C.

DEAR SENATOR CHAVEZ: There exists a very definite and serious threat to American agriculture, and in turn to New Mexico agriculture, which I believe warrants the immediate attention of the appropriate committees of our Congress. This threat is the entirely inadequate animal and plant quarantine coverage of many ports along the St. Lawrence Seaway. Records show that nearly 1,000 foreign vessels from 43 foreign countries entered the seaway during 1959. Federal plant and animal quarantine inspectors were stationed at only four of the many ports where these vessels unloaded cargo.

Also, quarantine staff at the older coastal ports need strengthening despite the yeoman service they have provided in the past. If these ports of entry, as well as the new ones on the St. Lawrence Seaway, are inadequately staffed, the results of years of livestock and plant improvement program could be lost because of the introduction of certain foreign pests. These quarantine stations are our "first line of defense". It will be a serious oversight if these defenses are left unmanned or inadequately manned.

I have heard certain rather substantial dollar amounts that are needed to immediately train additional personnel and to set up and man needed additional stations. I am unacquainted with the actual manpower and dollar needs for this program but I am extremely conscious of their need. The spotted alfalfa aphid and the Khapra beetle are two foreign pests now in New Mexico which the quarantine program failed to keep out.

I trust that you will take this matter under advisement and give it proper support at the appropriate time. It is my understanding that a House hearing on the needs of the quarantine program will be held in Room P3 of the Capitol before Mr. Jamie L. Whitten's Agricultural Subcommittee on Appropriations at 3 p.m. Friday, March 18.

Sincerely yours,

J. C. WATTS,
Head, Department of Botany and Entomology.

NATIONAL FARMERS UNION,
Washington, D.C., March 2, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, House Subcommittee on Agricultural Appropriations,
Washington, D.C.

DEAR MR. WHITTEN: Please insert this letter in the record of your hearings as the formal presentation of National Farmers Union relative to the agricultural appropriations for fiscal year 1961.

I have just read your statements of February 29 on the floor of the House. Of course you are correct that we cannot now fail to appropriate the funds required to carry out farm program commitments made by duly appointed officials of the Federal Government, irrespective of how unsound we may have known the guiding policies to have been at the time they were put into operation. We cannot now correct the errors of the past; and apparently it will take either new legislation or a new Secretary of Agriculture to prevent their continuance in the future.

Because so much of the expenditures called for in the 1961 budget for the agricultural programs are to administer mistaken policies, we shall refrain from making any recommendations concerning them. Your committee is in a better position than we to determine whether the funds requested are necessary for the programs to which they are applied. We shall respect and support your judgment.

However, the Department of Agriculture still has many good and necessary programs and activities that must be sustained and further developed where possible. On these we appreciate this opportunity briefly to express our views.

We have always considered it a high duty, as well as a pleasure from which we have benefited, to discuss Department programs annually with the members of your committee who are unusually well informed and dedicated. We regret that your necessary scheduling of public witnesses comes at a time when all the major officials of Farmers Union will be in Denver attending the annual convention and related activities. We appreciate your allowing us to make our views known to you and for your record in this manner.

SOIL AND WATER CONSERVATION

Attached to this letter is a statement concerning the advance authorization for the agricultural conservation practices program (ACP) which should be included in your record along with this letter. You will note that the statement expresses our view that the forward authorization for ACP should be restored to the level of $250 million as passed by Congress in recent years. We also hope that instead of renewing the Soil Bank Act, the money requested by the President in his farm message will be utilized to expand the soil building base of the ACP program, under the Soil Conservation and Domestic Allotment Act.

The Farmers Union is a strong advocate of needed programs for soil and water conservation. We believe that it is a responsibility of the Government to help farmers in conserving and improving the Nation's soils. Particular attention is needed to meet the problems of growing water shortages.

Our official program adopted at our last annual convention called for a more rapid expansion of scientific land and water use plans based on soil classification. It also called for an expanded small watershed flood prevention and agricultural soil, water, and related resource conservation programs.

We, therefore, urge appropriations for the work of the Soil Conservation Service at the levels needed to carry out these policies. The budget levels recommended by the President for fiscal year 1961 are inadequate for this purpose.

We recommend that the conservation operations item be increased by $15 million above the proposed budget in order to more adequately provide the technical assistance needed for helping farmers and ranchers develop and put into operation their own technically sound conservation plans.

We recommend that the watershed protection item be increased by $10 million above the proposed budget in order to expand the small watershed program.

We recommend that the flood prevention item be increased by $5 million above the proposed budget to install flood prevention works at a more realistic rate in the 11 authorized watersheds.

We recommend that the Great Plains conservation program item be increased by $8 million above the proposed budget in order to permit progress anticipated and planned at the time authorizing legislation was enacted.

RESEARCH

We urge appropriation of the full amount requested for agricultural research. We wish to comment specifically on one of the items for which an increase is requested.

The request for an increase of $100,000 is to provide funds for research to determine alternate systems of farming to enable feed grain and livestock producers to adjust more readily to market demands. The studies would be of a research rather than a statistical character.

As you stated so well on the House floor Tuesday, a major problem facing agriculture today is that of adjusting production to prospective markets. Excess production capacity is especially acute in feed grains and wheat. The feed grain-livestock problem is expected to be especially difficult in the next 5 to 10 years. Some land must be shifted from such production to other lines or be less intensively employed. Careful appraisal of the nature of these adjustments is necessary.

Costs of production adjustment price support and disposal programs for feed grains amounted to over $500 million in 1958 and combined costs of the feed grain and wheat programs was over $1 billion and yet our surpluses continue to mount. To reduce such costs practical economic studies are needed to identify what farmers can do to improve this situation and the costs and benefits of alternative programs that may be needed to encourage adjustment required to achieve a better balance between production and demands. This requires expanded analyses to determine the nature of the problem, identify the location of critical adjustment areas, and analyze the opportunities for adjustment.

WHY BUSINESS SHOULD BE INTERESTED IN AGRICULTURAL ESTIMATES

Not farmers alone, but also American businessmen are steady customers for agricultural statistics. American business every year buys some $32 or $33 billion of American farm-produced products which it processes or fabricates into food and clothing or sells into the foreign market. In short, American businessmen buy the raw materials for about $100 billion worth of their trade from American farmers.

On the other side, American business sells about $25 billion worth of production goods and services—gasoline, machinery, fertilizer, processed feed, and even twine—to American farmers as well as another $15 billion worth of family living goods to American farm families.

This means that American businessmen have a direct interest in agricultural statistics. Those who are going to haul, store, process, or sell farm products want to know how much will be available, when and where, both in order to judge the market and to plan their work as far ahead as possible. Businessmen who have farm production supplies for sale—or goods and services for family living—want to know about current farm income and future prospects, by areas, and with considerable detail to be meaningful for their specific type of business.

We have had an agricultural statistics service since 1866. By and large, it has done a good job. But the fact is that not only farmers but also the businesses directly handling farm products are asking for increasing precision in our agricultural statistics. It is time that we expressed a direct interest not only in what crops, classes of livestock, prices, etc., are covered by the Crop and Livestock Estimating Service but also in the adequacy of these estimates for the purposes to which they are put.

CURRENT PROPOSAL FOR STRENGTHENING AGRICULTURAL ESTIMATES WORK

Experimental work on sampling and estimating techniques to strengthen the crop and livestock estimating program of the USDA has now been underway since 1953. The funds for this experimental work were provided following the congressional investigation of the sharp change in the cotton estimates in the fall of 1951. In 1957, this experimental work, which centers around enumerative surveys and objective yield research, was expanded to a limited operational basis in the 12 Southern States and the experimental work spread into 12 North Central States.

At the present time, the work in the 12 Southern States is on a minimum regional "pilot plant" basis. While we understand the regional results obtained by this new sampling technique have been helpful, particularly in the last 2 years, the samples are too small to provide dependable State estimates and their full usefulness is in fact greatly restricted. In the North Central States the samples are even smaller and the work is wholly experimental.

We understand that the Bureau of the Budget has permitted the Agricultural Marketing Service to ask for an increase of $500,000 for the following purposes:

(1) Increase the enumerative sample in the 12 Southern States to a level that would provide State estimates on major crops and estimates of the change in the numbers of farms.

(2) Permit the substantial expansion of the monthly objective measurement of crop development as a means of improving crop forecasts during the growing season on some important crops in both the Southern and the North Central States.

We feel that there is a strong need for improving the adequacy or reliability of the Crop Reporting Service estimates as to acreage of crops planted or in cultivation, crop yields, and livestock numbers. Increasing dependence is being placed on these estimates by farmers, by businessmen, and by those responsible for agricultural policy and determinations. We are very glad to see this increase in the budget since we feel it is time to start shifting the experiment work to an actual operating basis. There is strong sentiment among farm and business groups for improving agricultural estimating work, and we doubt that this is going to be done without some orderly and systematic approach of this kind.

We feel that the views of informed people in and out of the Department of Agriculture should have prevailed. It would be good economy and good business to make a substantial start on the $5 million needed to put this program on a sound basis. We hope that it is possible for the committee to appropriate a substantial part of the initial request of the Service for $2.5 million to start this program.

MARKETING

Increases in the Marketing Research and Service item of $1,674,800 provides for the following program increases other than the one discussed above:

(*a*) About $500,000 to step up research on urgent marketing problems. About one-half of this is for work on improved methods and instruments for quality grading. The rest would be divided among studies concerned with marketing

new and improved agricultural products; impact of vertical integration, and other changes on the marketing structure; reducing deterioration of products in marketing channels; and transportation and market facility improvements.

(*b*) About $85,000 for more effective supervision of grain inspections by licensees.

(*c*) $216,000 for more adequate enforcement of the Packers and Stockyards Act, as amended, and about $50,000 to strengthen enforcement of the Federal Seed Act, as amended. In our opinion, all of these increases are justified and should be approved.

SCHOOL LUNCH PROGRAMS

As we understand the situation, the budget for the school lunch program includes the current level of direct appropriation—$110 million—plus a $40 million transfer from section 32 funds in lieu of the $43.6 million transfer in 1960. This total of $150 million together with added assistance which will be available under the special milk program authorization (current authorization is $81 million for fiscal 1960, $84 million for fiscal 1961—Congress is considering an increase) will provide total direct Federal assistance to schools in 1961 at about the same level as this year.

As we stated in an earlier letter this year, Mr. Chairman, we invite your particular attention to the situation in which the budget estimates of the Department of Agriculture for the regular statistical services are intermingled with estimates for various needed research projects. Moreover, the totals needed for both research and statistics are commingled into summary figures. This practice is misleading in the sense that both the Budget Bureau and many other public and private agencies have reported only summary totals and attribute the entire amount to the statistical services of the Department of Agriculture.

Specifically on this matter, we strongly recommend that your report request the Department to make a clear distinction between periodic statistical processing and reporting on the one hand and the conduct of scientific research on the other. Funds appropriated for research should not be incorrectly attributed to the Department of Agriculture part of the cost of maintaining the so-called Federal statistical system.

Moreover, faulty reporting of this type could lead to the unfortunate result that proposed scientific research projects might be judged on the basis of their contribution to periodic statistical series and consequently many worthy research projects might be thrown out of the budget or severly curtailed because while of major substantive importance, they would not be of a nature to make any major contribution to the processing or improvement of periodic statistical data.

The full amount of funds required to maintain and expand the rural electrification and telephone programs should be approved. We hope that Congress will not acquiesce in the recommended increase in the interest rate; but we are fully aware that if the current tight-money policy is not soon reversed, both the REA and the Farmers Home Administration programs will be imperiled.

As far as we are aware, the programs of the Department of Agriculture have in the main been well administered within the unfortunate policy guidelines that have been laid down by policymaking officials. The faults which you have pointed out and which we have observed, derived largely from bad policy rather than maladministration. We fully realize that your subcommittee shares many of our views on this matter and that you are not in a position to correct many of the faults in overall policy that you know to exist.

We strongly urge your favorable consideration of the recommendations we have made. Please be informed of our intention to cooperate with your subcommittee in every appropriate way as you move the bill forward through the legislative process.

Sincerely,

JOHN A. BAKER,
Director, Division of Legislative Services.

Attachment has not been received. Will be forwarded at receipt.

NATIONAL GRANGE,
Washington, D.C., March 17, 1960.

Re adequate appropriations for conservation of soil and water resources.

Hon. JAMIE L. WHITTEN,
Chairman, Agricultural Appropriations Subcommittee, House Appropriations Committee, Washington, D. C.

DEAR MR. CHAIRMAN: As you know, the National Grange has for many years maintained strong policies in support of soil and water conservation programs. The purpose of this letter is to bring the attention of the members of your committee to the position of the National Grange with respect to the programs administered by the Soil Conservation Service.

I understand that within a few days your committee will be marking up the bill for appropriations for the Department of Agriculture for fiscal year 1961. We want to encourage you to take action along the lines recommended by Grange policy.

The following paragraphs are quoted from policies reaffirmed and adopted at the 93d annual session of the National Grange at Long Beach, Calif., last November.

"SOIL CONSERVATION DISTRICTS

"The National Grange regards the organization of soil conservation districts as one of the significant developments in American agriculture during the past 25 years. Benefits of districts accrue not only to agriculture but to the urban and suburban population as well.

"The mounting pressure on the natural resources of the country emphasizes the urgency for conservation and wise use of the Nation's remaining supplies of productive land and water. Soil and water conservation districts constitute a tested, effective means for the exercise of this essential local responsibility.

"These districts constitute local, self-government in one of its clearest forms. They represent a desirable, democratic approach, under State law and with local leadership, toward the ultimate solution of impending land and water conservation problems.

"In their establishment and functioning, districts are thoroughly compatible with traditional Grange principles and policies. Indeed, it is appropriate to recognize that the Grange has been instrumental, over the year, in the sponsorship and support of many hundreds of individual districts as well as the nationwide district movement.

"We advocate continuing development and support for districts as a means of advancing the protection and improvement of the Nation's land, water, and related natural resources—including wildlife, forests, and natural recreational areas—for the ultimate benefit of all Americans.

"*Assistant to districts*

"The shortage of SCS technicians in relation to the expanding conservation activity in soil conservation districts is now the principal retarding factor to more rapid progress in districts.

"More than three-fourths of the Nation's 2,850 districts have reported a serious shortage of SCS conservation scientists and technicians to assist in district operations. We recommend that the requirements of districts for additional technical assistance be given the most careful consideration and that these requirements be met at the earliest possible date."

"GREAT PLAINS PROGRAM CONCEPT

"In 1955, the National Grange commended the Governors of the 10 Great Plains States and the USDA for their progress in developing a specialized program for stabilizing Great Plains agriculture, based on the progressive adjustment of land use to greater conformity with scientifically determined land capabilities.

"Under this program during the past 2 years, Federal, State, and local programs of education, credit, technical aid, research, and cost sharing are being geared to basic conservation plans for individual farms—helping owners make desirable changes in land use and in farming practices.

"This approach to the solution of soil and water conservation problems on entire farms and ranches is proving eminently successful, especially with young farmers who are planning their future in farming. It provides increased assurance that all the needed conservation measures will be applied in the proper combinations to protect and improve the productive base of the farm.

"In each of fiscal years 1958, 1959, and 1960, Congress appropriated $10 million for the Great Plains program. Each year the number of participating farmer contracts has increased. During the 1959 fiscal year, 2,316 contracts were written, which obligated all available cost-sharing funds. With no significant carryover of money and an appropriation limited to $10 million for 1960, only about two-thirds as many contracts can be executed in 1960 as last year.

"Conservative projections indicate that aditional funds will be required in the next fiscal year if the program is to keep pace with applications and approach its potential for real accomplishment."

WATERSHED PROGRAM

"Over the years the Grange has repeatedly stated its reasons for supporting a more comprehensive and strengthened watershed protection and development program. Flood prevention and water supply development in the upper reaches of the Nation's watersheds is not only effective, but essential.

"It is our position that upstream and downstream protection and development works should not be competitive, but collateral. They should proceed together, harmoniously, each supplementing the other for maximum total effectiveness. To accomplish these objectives we recommend joint studies by the appropriate agency of Government in planning projects for development.

"Accordingly we are concerned by the gross lack of balance in the Federal Government's assistance to upstream and downstream works of improvement. Federal funds available for downstream works are 16 times greater than those available for the upstream program. We believe a somewhat larger proportion of the Federal funds annually made available for flood prevention and water supply development should be allocated to the upstream phase of the total program. We believe such action would increase the overall effectiveness of the program by reducing flood crests and protecting downstream structures. It is important to get a better balanced program of upstream and downstream works that will multiply beneficial results for both agricultural and urban interests without adding to the total costs."

Program funds

"By November 1, 1959, more than 1,220 applications had been filed with USDA from 48 States for assistance under the Watershed Protection and Flood Prevention Act. These applications covered 88 million acres.

"On the same date, planning assistance had been authorized on 508 watersheds with an area of almost 36 million acres. Construction works had been started on 118 watershed projects.

"In terms of the progressive increase in applications filed by States, the watershed program is not keeping pace with demand. Planning funds have been restricted and are increasingly inadequate to meet the needs represented by applications. Construction funds have also become deficient in fiscal year 1960 for the first time in the history of the program. In fiscal year 1960, the total available funds is only $32.25 million.

"If outstanding needs were to be met, the money available this fiscal year should total approximately $55 million. The deficiency approaches $23 million. If this vital program is to progress as it should, more careful and favorable attention must be given to appropriation requirements, especially for planning."

It is our hope that you and the members of your committee will find it possible to adequately support these fundamental programs and that this letter be made part of the hearing record of your committee.

Respectfully yours,

HERSCHEL D. NEWSOM, *Master.*

STATEMENT OF E. M. NORTON, SECRETARY, NATIONAL MILK PRODUCERS FEDERATION

Mr. Chairman, members of the committee, this statement relates to several items in the proposed budget for the U.S. Department of Agriculture for the fiscal year 1961. The observations made in this statement on these items reflect the policy position of the membership of the National Milk Producers Federation.

The National Milk Producers Federation, organized in 1916, is the oldest and largest farm commodity organization in America. Its membership is comprised of local and regional cooperative associations with member farm families in 48 States.

These organizations market the milk of their farmer-members. Some associations market through proprietary handlers; others process milk and the various dairy products. In all, they operate over 1,000 facilities, ranging from country receiving stations to highly modernized all-purpose dairy plants.

The federation's purpose is to give dairy farmers and their cooperative associations an effective voice in Congress, and in their relationships with the executive branch of the Federal Government. In addition to legislative activities, the federation serves as a national trade and service organization for dairy farmers and their cooperative associations.

The earliest efforts of the federation were directed toward the enactment of much of the now-existing basic legislation pertaining to agriculture, farmer cooperatives, and the dairy industry. Today it speaks on every major national issue affecting dairying.

The federation is governed by a board of directors on which each member association is represented. An executive committee of 15 is selected from the board. The policies to which the federation directs its activities are established at its annual convention.

Before presenting our observations and recommendations on those items in the 1961 budget for the U.S. Department of Agriculture we should like to present comments on the general picture for dairying in the 1960's which provide a background against which you can reflect our observations.

During this decade, dairy farmers should see a 20-billion-pound growth in the milk market—from 114 billion pounds sold off farms in 1959 to 134 billion pounds annually before 1970.

Dairy farms will become larger and more efficient. More milk will be produced per unit of labor and per dollar invested. It will be difficult to insulate milk problems from those of all agriculture. Any influx of farm resources to milk production could spell trouble. Also, more milk can be expected from modern technology and plentiful feed supplies.

Perhaps the greatest contrasts between the 1950's and the 1960's will be (1) the market position of skim milk; and (2) increased participation in fluid milk markets.

Consumers will whittle away at the skim milk reserve that proved so troublesome in the 1950's. Ten years ago more than 25 percent of all skim milk, or 27.5 billion pounds, remained on farms. By 1960, only 12 billion pounds remained on the farm.

The Government purchased as nonfat dry milk 7 percent of all skim milk produced in 1959. This represented nearly half the nonfat dry milk production. Further reductions of the skim milk residual will involve a much smaller portion of total U.S. milk production. This could mean a gradual reduction in CCC purchases of nonfat dry milk and, perhaps, less produced—unless a general overproduction of milk occurs.

Larger portions of total milk deliveries will probably meet grade A requirements. Farmers producing such milk can be expected to seek access to fluid milk markets. Transportation costs of bulk milk may open outlets at greater distances, if the advantages more than offset the cost of hauling. Fliud milk markets, then, will become closer, one to another, and milk pricing considerations will revolve more around national competitive forces and will be less influenced by local factors.

Milk plants will probably become larger, fewer in number, and more efficient. They can be expected to distribute over wider areas. As a result, many communities may wind up with no milk plants.

Dairy farmers will expand their co-ops through growth and merger; process, distribute, or otherwise physically market more of their milk; and modernize operations to meet challenges of the decade.

The items in the 1961 budget for the U.S. Department of Agriculture, about which we would like to talk with you today, represent subjects on which the membership of the federation established policies at the 1959 annual convention. These policies have real meaning inasmuch as they reflect the thinking and the recommendations of dairy farmers—the people knowledgeable about national issues which affect their dairy operations on the farm.

As the representative for the dairy cooperatives in the federation, it is a privilege for us to submit these views. Your cooperation in the past in supporting programs that have substantially aided in the economic betterment of dairy farmers is greatly appreciated by all of us.

Among the items in the 1961 fiscal year budget about which we have grave concern is that involving the brucellosis eradication program. The foresight of the Congress in 1954 in authorizing the establishment of an accelerated brucellosis eradication program has been plainly evidenced over the past several years in the progress made from 1954 until this year in the eradication of this threatening and expensive disease. Certainly, the eradication of brucellosis in our dairy herds has been a plus factor in efforts to improve the economic level of dairy farmers. In addition, and very significantly, the program has also contributed toward the national health and welfare by moving toward the eradication of this dread disease in human beings.

The rate of progress in the eradication of this disease made in the period 1954 to 1959, gave all of us interested in the program high hope that the Nation as a whole would attain a modified status by 1965, and the ultimate objective in completing eradication would be achieved by 1970 on the basis of this rate of progress. However, a decrease in the level of Federal financial participation in this program, starting in the current fiscal year, has been reflected in a reduction in this rate of progress to the point where unless we can return to the higher rate of the 1954–59 period, it appears that the timetable for modified certified status nationwide would be postponed from 1965 to 1975, and complete eradication from 1970 to about 1980 or 1981. We respectfully suggest that such a change in the time schedule not only runs contrary to the initial congressional intent to accelerate eradication of this disease, but places the entire program in a position where the cost of eradication will be substantially greater overall than if we were to maintain the 1958 rate.

In support of these contentions, we respectfully draw the committee's attention to an official statement made by the Department of Agriculture to this committee in March 1959, in which statement the Department contended that: "If the present rate of progress in eliminating brucellosis from cattle is maintained, all States and territories should be qualified as modified certified brucellosis areas in 5 years * * * By continuing the eradication effort at its present level, and maintaining current progress in reducing the number of infected animals, it is reasonable to believe that bovine brucellosis can be eradicated from the United Sttates in 10 years." In support of our contention that a decelerated program will be more costly, we again draw the committee's attention to the statement from the Department of Agriculture referred to above, in which they state, "It is a generally accepted fact that when a program has been launched to eradicate a disease or pest, the most rapid progress that can be made will generally reduce the total cost of program for eradication."

In the most recent report of the Department of Agriculture, issued in January 1960, on the brucellosis eradication program, the following statement is quoted: "There is no question but that each dollar spent today is buying more actual brucellosis eradication than at any other time in the history of the program. It has been estimated that had appropriations continued at 1958 levels the entire Nation would have attained modified certified brucellosis area status by 1965, and eradication by 1970."

We recognize and appreciate the fact that the Congress has been mindful of these facts and that for the current fiscal year did increase the amount of funds for this program above the level requested by the Department of Agriculture. We suggest that: (1) on the basis of the record of progress already made in eradication of this disease from the United States; (2) the target dates established by the Department of Agriculture on the basis of the pre-1960 fiscal year level of Federal financial support; and (3) the need to regain the momentum we have lost, that the Congress approve an appropriation of not less than $22 million for the 1961 fiscal year.

The federation, as you know, has vigorously supported the national school lunch program as an effective means, not only for improving the nutritional level of children, but also for expanding the base of consumption of milk and its products. Since we are not nutritional experts, we can make no professional evaluation of the contributions these programs are making toward better nutrition. From a layman's viewpoint, however, there appears no doubt that such contributions are being made. As to the economic benefits to dairy producers as well as to the country as a whole, we say on the basis of expert knowledge that here again the program is making substantial contributions. When it is remembered that our troubles stem from only a small percentage of our total annual production, the significance of the lunch program—when applied to this small percentage—is truly impressive.

Reports show that in the past school year in the national school lunch program about 2 billion half-pints of milk were consumed in over 63,000 schools. Translated into total pounds of milk, this means that this program accounted for the consumption of approximately 1 billion pounds of milk. In other words, without this program, our excess production would be greater—and it would be just that much more difficult to handle than the percent presently facing us. The continued expansion of this program, together with continuing support from this committee, will mean that both the nutritional and economic benefits from the program also will expand.

The proposed level of Federal support for this program in fiscal year 1961 is inadequate for the following reasons:

(1) Enrollment in the Nation's schools continues to increase. It is estimated upward of 42 million children will be enrolled for the next school year;

(2) The desired goal of more chidren having available a complete nutritional lunch will not be reached unless the Federal Government continues to assume its responsibilities in this cooperative effort. Experience has shown that only through the interest and leadership of this committee have the State and local school officials been assured of Federal participation at a reasonable level; and

(3) Additional Federal participation is essential if the objectives of the program are to be reached—improvement in the nutritional level of our schoolage population and the expansion in the consumption of our national food abundance.

In the other area of Federal support for the program—the purchase and distribution of agricultural commodities—we believe, and have so noted on many occasions, that the committee should be commended for its leadership in specifically providing for the ear marking of section 32 funds in order to make additional commodities available for inclusion in lunches served to participating children in addition to those commodities made available through section 6 of the National School Lunch Act.

Since the initial per lunch rate of reimbursement for this program from Federal funds was approximately 0.09 cents and since that level of reimbursement has fallen to less than 0.05 cents per lunch, we respectfully suggest that the committee make sufficient funds available to restore the per lunch rate of reimbursement to its original level. If such action cannot be accomplished then we urge the committee to do two things for this program for 1961: First, approve a direct appropriation of $110 million plus $50 million from unused section 32 funds; and second, authorize the use of $40 million from unused section 32 funds for direct purchase programs by the U.S. Department of Agriculture. We understand that there are sufficient unused section 32 funds to implement these suggested uses.

The cooperative dairy herd improvement and sire-proving program performs a real service to dairy farmers. We respectfully direct the committee's attention to the fact that funds available for this program have remained at a static level for several years with provision being made only to meet Federal employees' pay increases authorized by the Congress. We believe, the significance of this program to dairy farmers plus the increased demands made on it warrant the action of this committee and the Congress to approve additional funds for program operations. The program gives farmers information that can mean more net income. It is truly a cooperative program among Federal and State Governments and dairy farmers. The bulk of the cost is borne by the dairy farmer participants. It is estimated that of a total program cost of about $10.75 million in 1959, some $275,000 were Federal funds and about $275,000 were from State funds. The remainder came from dairy farmers. The success of the program, however, depends greatly on the processing of the data received by the U.S. Department of Agriculture and the dissemination of this data to farmers.

The basic data on individual cow performance is collected by DHIA supervisors and forwarded to the State colleges. The colleges in turn forward this information to the U.S. Department of Agriculture. This data is processed to determine the production performance of daughters of individual bulls. This performance is then compared with the performance of the dams to determine sire-proving. Such proving can indicate the bulls of superior transmitting lines. This is the information that dairy farmers and artificial breeding associations use in their breeding programs. This information, together with other data available from DHIA, helps farmers adjust their herd management to assure best possible income returns.

The problem we face and the one we ask the committee to give its attention is the threat to the success of the DHIA program unless steps are taken to make it possible by cutting down the time lapse between receipt of data and publication

of results. At the present time this lapse is estimated between 10 and 12 months. This is inordinately long. The solution to the problem is quite simple and calls for a minimum cash outlay. An increase of some $150,000 in the Department's budget request for DHIA will make possible the mechanization of data processing to the point where up to date and more complete sire-proving information can be placed in the hands of dairy farmers in reasonable time to be useful.

This committee has been keenly aware of the importance of this program. This awareness was evidenced last year when the Committee on Appropriations in its report on the 1960 fiscal year appropriations bill for the U.S. Department of Agriculture stated:

"The need for modern electronic equipment in connection with the dairy herd improvement program has been brought to the committee's attention by numerous individuals. In view of the importance of this system to the records of proved sires, the Department is requested to give this matter careful consideration in connection with next year's budget."

CHAMBER OF COMMERCE OF THE UNITED STATES,
Washington, D.C., March 18, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture, House Committee on Appropriations, Washington, D.C.

DEAR MR. WHITTEN: The Chamber of Commerce of the United States supports the overall objective of the President's fiscal year 1961 budget, but firmly believes that selective reductions can be made in proposed expenditures. As a part of the chamber's comprehensive analysis of the entire budget, the chamber recommends reductions of $194,235,000 in funds requested for the Department of Agriculture. It is realized that in some cases these reductions may require changes in substantive legislation as well as action by the Appropriations Committee; but every effort should be made to eliminate these unnecessary expenditures of Federal funds. Details covering our recommendations follow:

Soil Conservation Service—Flood prevention

The budget request for $15 million could be reduced by $4,600,000 if uniform cost-sharing standards were adopted for non-Federal entities cooperating with the Federal Government in flood control and flood prevention projects under Public Law 83-566. The cost of direct benefits, such as accrue from local flood prevention projects, should be borne by the area benefited, and only those benefits which accrue to the Nation as a whole should be borne by the Federal taxpayer.

Agricultural Marketing Service—School lunch program

The national chamber urges your committee to terminate the cash payments ($93,600,000) to States under the food assistance activities of this program. This reduction would eliminate 34 percent of the Federal participation in this program, but would not impair other Federal activities, such as commodity procurement, distribution of surplus commodities, and funds for administration. Growing financial support within the States makes it clear that the program is well established and can continue effectively without further cash assistance from the Federal Government.

Commodity Credit Corporation—Special milk program

Your committee is urged to recommend no Federal appropriation for the special milk program. This does not mean that the national chamber is opposed to a program of effectively utilizing surplus milk production or of making such milk available to schoolchildren who might not be able to buy it at normal prices. The opposition of the chamber to this program stems from the responsibility for its performance resting with States and local governments rather than with the Federal Government. Therefore, the chamber recommends discontinuance of the special milk program with its estimated cost in fiscal year 1961 of $83,658,000.

Federal Crop Insurance Corporation—Operating and administrative expenses

The national chamber recommends that all operating and administrative costs of the Federal Crop Insurance Corporation be covered by increased premium charges on insurance written, and not by appropriated Federal funds. This would save the Federal Government $6,377,000 annually.

Rural Electrification Administration—Loan authorizations

REA borrowers pay interest at the rate of 2 percent on their loans, although the Treasury is paying a much higher rate. The national chamber recommends that REA loans be made at interest rates equivalent to the current market rates paid by the Treasury. A change of this nature would save the U.S. Government $6 million annually.

I would appreciate it if you would make this letter a part of the record of hearings on the appropriation bill for the Department of Agriculture.

Cordially yours,

CLARENCE R. MILES,
Manager, Legislative Department.

STATEMENT OF C. R. GUTERMUTH, WILDLIFE MANAGEMENT INSTITUTE, WASHINGTON, D.C.

Mr. Chairman, I am C. R. Gutermuth, vice president of the Wildlife Management Institute. The institute is one of the older national conservation organizations, and its program for the better management of natural resources in the public interest dates back to 1911.

My comments will be directed to two items. The first is the budget request for $2.4 million to continue the widely denounced imported fire ant eradication effort in the Southern States. The second concerns the funds for the small watershed program which is authorized by the Watershed Protection and Flood Prevention Act of 1954.

This committee knows from its previous considerations that the imported fire ant first appeared in this country around Mobile, Ala., about 40 years ago. The insect now is believed to have spread into some 150 counties and parishes in nine Southern States. Congress appropriated $2.4 million in 1958 for initiation of an ambitious Federal-State-local aerial spraying program to eradicate the imported fire ant. A second $2.4 million was provided last year, and a similar amount is included in the current budget.

Conservationists have urged that extreme caution be used in the attack on the imported fire ant. It is not considered an important agricultural pest in most of the areas where poisoning is planned. The program calls for the aerial broadcasting of a highly toxic chemical, known as heptachlor, which is lethal to all insects as well as to man, livestock, poultry, pets, and fish and game over millions of areas.

Field investigations in some of the treated areas have shown tremendous die-offs of birds, small mammals, and fish.

Happenings in recent months give further emphasis to the public concern over this and other pesticidal programs. The newspapers have been full of articles about pesticides in floods and water, and their effect on humans. The Department of Health, Education, and Welfare has reduced to zero the permissible amounts of residues of heptachlor and heptachlor epoxide on many agricultural products in interstate commerce. Heptachlor is suspect of being a carcinogen. Despite this grave situation and the widespread opposition that has developed to the imported fire ant eradication campaign, the USDA is requesting another $2.4 million for this activity in its "Plant and animal disease and pest control" item for the Agricultural Research Service. It is interesting to note that the USDA has increased the application rate of heptachlor as criticism has mounted to only a fraction of the original dosage. This shows that the USDA has little knowledge of the full potential effect of the dangerous poison on humans, livestock, and other animal life. That knowledge is not available, Mr. Chairman, and until it is, we must assume, for safety's sake, that any amount of the poison may be injurious to public health and welfare.

Let there be no misunderstanding, conservationists are not opposed to insect control. There is logic in direct on-the-ground application of heptachlor or other poisons in areas where the ants may be pests, and we urge this committee and the USDA to consider such an approach. We can seen no justification in the aerial broadcasting of the highly toxic materials over hundreds of thousands of acres, however. Experience has shown that the risks are too great. The penalties the public is being asked to accept are too severe. This is evidenced in the recent decision of the State of Alabama, not to join in this year's eradication effort. This does not mean that Alabama will escape from the long-range

threats of the poisons, however. Those that were spread during the previous 2 years will remain toxic in the soil for up to 6 years. I should also add that the poisons have been found in the tissues of animals living in the treated areas as well as on the vegetation and in the soil.

It is for these reasons, Mr. Chairman, that we ask that this committee give serious consideration to eliminating the $2.4 million request from the 1961 appropriations for the U.S. Department of Agriculture. Should some funds be approved, we then suggest that the committee direct that none of the money be spent for spreading the poisons from the air.

SMALL WATERSHED PROGRAM

Conservationists are concerned about the impact of the 1961 budget on the national small watershed development program that is authorized by the Watershed Protection and Flood Prevention Act, Public Law 566, of the 83d Congress. This program is not receiving the consideration that it should when viewed from the standpoint of the total natural resources development activities provided for in the budget.

The institute participated with nationally recognized conservation groups from many sections of the country in the early 1950's in suggesting to the President the need for constructive legislation that would close the gap between programs of Federal assistance to landowners and operators for conservation on their own land, and the major multiple-purpose developments carried out at Federal public-works projects on the major rivers of the Nation. The President recognized this need and gave support to the development of such legislation, which, as you know, was introduced and fostered by former Congressman Clifford Hope of Kansas, then chairman of the Agriculture Committee. The measure received broad congressional support, and it is my recollection that the 83d Congress enacted Public Law 566 without a dissenting vote.

When the President signed this legislation, he issued a very fine statement, giving it the endorsement and backing of his administration. This statement is so significant that I would like to quote some excerpts from it here:

"This act recognizes by law for the first time the great importance of upstream watershed protection in our overall water resource policy. For the first time, also, this act provides a broad program of Federal, technical, and financial assistance to such local watershed groups as are willing to assume responsibility for initiating, carrying out, and sharing the costs of watershed protection which will help conserve water for agricultural uses and supplement any needed downstream flood control measures.

* * * * * * *

"* * * our water-management programs must not go to work only in large streams or rivers, though the flood control and other measures there are of enormous importance. Our programs to conserve water must begin where the raindrop falls. And because of the extensive erosion and sedimentation damage which result from floods in head water streams and small tributaries, and also because these parts of the watershed have up to now been relatively neglected in conservation planning, these programs must put new emphasis on their management.

* * * * * * *

"Another significant contribution of the watershed legislation is that it gives new force and emphasis to local leadership. Its programs are not Federal work projects; no new agencies will have to be created to carry them out. These programs will be planned only at the instance of local people. They will be planned with the cooperation and participation of local and State governments. They will be initiated only when local people have demonstrated their willingness and ability to share equitably in the cost and to assume responsibility for direction and maintenance of the work."

The Small Watershed Act has been one of the most popular and widely acclaimed conservation laws enacted in recent years. Units of local government, such as soil-conservation district, counties, and municipalities have submitted applications for assistance under the act in more than 1,200 watersheds, covering nearly 90 million acres of land. The legislatures in some 40 States have enacted more than 100 pieces of State legislation to implement the Federal act. I doubt if there is any more outstanding expression of interest in a conservation program than that evidenced by this record.

Secretary Benson, Assistant Secretary Peterson, Soil Conservation Service Administrator Don Williams, and many other high officials of the executive branch and literally scores of Members of Congress have appeared on the platform of the National Watershed Congress over the past 6 years to give generous praise to this new watershed conservation program. It has been my privilege to serve on the steering committee of this organization since its inception and as chairman of the committee for the past 2 years. The Watershed Congress is promoted by 25 national organizations that believe in the principles of the small watershed program and are doing their utmost to foster it through improved public understanding. The affiliation includes a wide assortment of influential organizations, such as the National Association of Soil Conservation Districts, American Farm Bureau Federation, National Grange, Farmers Union, National Association of Manufacturers, Chamber of Commerce of the United States, Wildlife Management Institute, National Wildlife Federation, and others covering the fields of conservation, business, agriculture, and industry. The Watershed Congress passes no resolutions, does no lobbying, and takes no action on its own. It provides a forum for all National, State, and local interests to review the problems of implementing this great conservation activity.

This committee is so fully cognizant of the popular interest and widespread backing for the small watershed program that I do not need to recite any more of its history. I'll come directly to the point. In the face of all of this backing, where is the holdup in providing adequate budgetary support? This is the second year in a row that a decrease has been in the scope of the proposed program. Last year this committee restored the appropriation to the level of the previous fiscal year.

In the face of the rapidly increasing demand for assistance in planning watersheds so that local people may have a guide to the solution of their land and water problems, this budget proposes to reduce the planning assistance being furnished by the Federal Government. This is being done in face of the fact, as I understand it, that within the past 3 or 4 years State and local funds to the extent of more than $1 million have been appropriated to augment planning to make it possible to speed up this program. I also understand that construction funds are now virtually exhausted although the new fiscal year is several months off.

Mr. Chairman, when we look at this program in relation to other programs in the Federal budget, we cannot find any reason for the kind of budgetary treatment that has been accorded to this activity. The glaring disparity that we find in reviewing the overall Federal budget is in the increases allowed for some other water-resource programs in relation to the watershed program. For example, the 1961 budget proposes to increase the appropriation for the rivers and harbors and flood control work of the Corps of Engineers from the current year's $868 million to about $934 million. It proposes to increase the Bureau of Reclamation program in the 17 Western States from $181 million to about $233 million. Those $2 billion programs would be increased by more than $118 million in fiscal year 1961.

Without in any way disparaging the needs that may exist in these programs, we would like to find out what is holding the watershed program back and why it is being done. The programs of the Army Engineers and the Bureau of Reclamation are purely Federal public-works programs. The administration says that natural resource programs should be under greater control of States and local organizations. The national watershed program has greater local cost sharing than either of the giant public-works programs. The national watershed program would appear to fulfill every professed objective of the administration—objectives that have been publicly endorsed by the President, Secretary Benson, and other national leaders.

We urge this committee to call upon the Director of the Budget for an explanation of the thinking that motivated the requests for budget support for water resource programs. It is my understanding, for example, that the amount of watershed planning funds provided currently, which is slightly less than $5 million, could be expected to produce a program that would require an annual construction appropriation of about $100 million a few years hence. At the current planning level, the program would thereafter continue at about a constant rate with as many projects completed as were started in any 1 year. Yet the amount of increase proposed for the combined programs of the Corps of Engineers and Bureau of Reclamation for next fiscal year alone is greater than the annual cost of the small watershed program when it reaches full fruition.

We are well aware of the arguments made by the administration as to the necessity for keeping a tight rein on the total Federal budget. We subscribe to that position in principle. What we are saying, however, is that somewhere along the line someone seems to be deliberately making an effort to scuttle this locally controlled upstream watershed program at the same time that public statements are being issued by Cabinet officers that this 1961 budget contains the largest sum ever provided for resource conservation.

We do not believe that the small watershed program should be considered solely in relation to other agricultural programs. It should not be viewed as being in competition for funds with other activities of the Department of Agriculture. Major benefits from this program are accruing to municipal interests, to highways and railroads, to industry, and to fish and wildlife development in addition to rural considerations. Our wildlife resources are a large potential beneficiary under the amendment to Public Law 566 passed by the last Congress, which provided for financial assistance in fish and wildlife development. It is our view that the small watershed program should be considered in relation to other comparable resource development programs, particularly those of the Corps of Engineers, Bureau of Reclamation, and similar agencies. It is our opinion that the Congress should make its own determination of what kind of balance needs to be established between these resource development programs.

We have not presented any statistics of consequence about the small watershed program—we know you have obtained all of the needed information from your hearings. We do want to tell you, however, that conservationists will give the strongest kind of support to this committee in every way that we can in correcting this discrimination being brought about by actions which seem designed to subordinate the small watershed program. It is one of the most essential links in our whole conservation effort in this country and its merits just as much support from the Federal Government as it is being given by States and localities.

MARCH 25, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture Appropriations,
House of Representatives, Washington, D.C.

DEAR MR. WHITTEN: The National Audubon Society, having detailed a competent biologist with an entomological background to study the imported fire-ant control program in the Southern States for the past 2 years, is gravely concerned about the continuing losses of wildlife resulting from the control methods currently in use. Such losses are still occurring on lands treated with heptachlor or dieldrin 2 years ago. Of even graver concern is the possibility of danger to human health in view of the zero tolerance set by the Food and Drug Administration for residues of heptachlor or the epoxide of heptachlor in foodstuffs.

Research recently reported by the U.S. Fish and Wildlife Service has disclosed that the chemical heptachlor and its epoxide are stored in the body tissues of bobwhite quail and other birds that have received nonfatal doses of the chemical. This raises a serious question as to whether or not the use of heptachlor in the range of quail or other game birds, besides having a deleterious effect on the population of the birds, makes even the surviving birds unfit for human use.

Research with DDT shows also that quail receiving small (nonfatal) doses of this mildest of the chlorinated hydorcarbons suffer losses of reproducing capacity extending into two or more generations. In other words, fewer eggs are laid and fewer are fertile. A similar effect in wild populations could, within a few years, grossly deplete, if not eliminate, a species in a given area.

As you know, the insecticides being used in the fire-ant program are also chlorinated hydrocarbons, similar to DDT, although many times more toxic. The newly announced plan of applying heptachlor at the rate of one-fourth pound per acre in each of two separate applications, 2 to 4 months apart, will not avert serious damage to wildlife. This would be equivalent in toxicity to 4 and 8 pounds of DDT, a rate far above safe levels.

In view of the widespread damages accruing from the present methods used under the direction of the Plant Pest Control Division, U.S. Department of Agriculture, in the fire ant program, and in view of the general recognition now that the imported fire ant, while a nuisance, is not a serious economic pest,

and in view of the many serious questions as yet unanswered by research now in progress, the National Audubon Society recommends your subcommittee eliminate the proposed appropriation of some $2½ million for the program during fiscal year 1961.

We are not opposed to an adequate appropriation for research and testing of control methods in the fire ant-infested areas. In fact, we urge more funds for research. But the language of the appropriation bill, or the committee's report, should make it clear such funds are to be used for research only and not for continuation of the present, ill-advised control program using chlorinated hydrocarbons in broadcast.

We respectfully request this letter be made a part of the record of the hearings held by your subcommittee, and we thank you for your consideration of our views.

Sincerely yours,

CARL W. BUCHHEISTER, *President.*

STATEMENT OF INFORMAL COMMITTEE REPRESENTING ALL TENNESSEE AGRICULTURAL AGENCIES AND INTERESTS

We sincerely thank this subcommittee for permitting us the privilege of submitting this statement setting out some of the needs in the field of soil and water conservation, an area most vital to all people and to our Nation's future welfare. Those of us whose names are listed below comprise an informal committee selected in a meeting on February 23 of all agricultural agencies and groups in the State of Tennessee interested in the field of soil and water conservation. Those interested and present at the meeting included representatives of the land-grant college, State department of agriculture, Soil Conservation Service, State soil conservation committee, watershed districts, State Association of Soil Conservation District Supervisors, and Farm Bureau. The committee selected to represent these groups was instructed to perform three functions. These functions are—

1. Point out some of the urgent needs and problems in the area of soil and water conservation research.
2. Encourage an understanding of the recommendations of Senate Document No. 59 (S. Res. 178) in specific regard to the need for a national research center for engineering design of conservation structures.
3. To invite and encourage the establishment of this center in the State of Tennessee.

We feel sure that you, as members of this committee, are familiar with Senate Document 59 entitled "Facility Needs—Soil and Water Conservation Research." However, we would like to point out that the document, resulting from Senate Resolution 178, is a report and recommendation of the findings of the working group appointed by the Secretary of Agriculture for purposes of making this study. We would like to invite your close study of the report as it, clearly and in detail, sets out many of the varied problems in the field of soil and water conservation. The report also includes recommendations of some of the needs in order that solutions to these problems may be found and put into effect.

It is to be noted in the report that problems pertaining to soil and water conservation are almost unlimited but that emphasis is given in the report only to those problems related directly to conservation of agricultural land. The urgent need for solutions to many of the problems, according to the study group, is so widespread as to appear obvious that pertinent research information on these problems could have a wide range of applicability. Therefore, it recognized the need for and recommended the establishment of regional or national research centers for study of specific problems. High urgency of need is shown for basic research in all physical areas to provide information necessary for the sound design of engineering structures and for solutions to basic soil problems relating to soil structure and tilth, mineral nutrition of plants, soil-water-plant relationship, soil microbiology, and behavior of organic matter. In fact, the report points out that soil and water conservation problems involve many fields of science and engineering.

Now, to be specific, we would like to call the committee's attention to page 136 of Senate Document 59 regarding the Center for Engineering Design of Conservation Structures. This section of the report most aptly sets forth the case of need for the center and its importance. Water control structures are becoming increasingly important in our soil and water conservation programs.

Watershed protection and flood prevention legislation in recent years has greatly expanded control structure installation, thereby emphasizing the need for better design and engineering information. All of us know that to overdesign is an unnecessary cost whereas to underdesign may result in failure of the project. Although the report names in detail many of the facets of control structures in need of research work, let us just say that it can probably be summarized in this way: We need to learn the basic facts of water action in order to build structures for greatest conservation and benefit at the lowest cost.

Soil and water are the two resources most essential to the life and progress of our Nation. It is entirely possible that these two, and especially water, may in the future come to be the limiting factor in the progress which we can make in America. We cannot create water, we can only conserve it. A recognition of this fact, coupled with the rapidly growing population and tremendous expansion in water use, makes those of us working in this area very conscious of the need to begin now on programs designed to conserve our soil and water for the benefit and welfare of all Americans. Conservation cannot be accomplished overnight, nor can research find immediate ways to improve those conservation practices already underway. For this reason, it is time we began action programs to build facilities with which to work so that our research might actually get underway at the earliest possible moment.

We believe a center for engineering design for conservation structures operated by the Agricultural Research Service of the U.S. Department of Agriculture is definitely needed. Its purpose would be to design, build, and test scale models of all kinds of structures to control water and conserve soil. It would observe and evaluate the operation of existing structures. It would provide information urgently needed by the Soil Conservation Service and others in watershed programs, by contractors and builders in actual construction, and by farmers that they might make the best use of soil and water resources. The recommendations and findings of the center would be for the benefit and use of everyone throughout all the States and areas of this land.

In order that an engineering design center could do the most effective research, it is recommended, and we heartily agree, that it should be located near available land-grant college and agricultural experiment station facilities. Area information on soil and water resources should be presently available, particularly as to the hydrology of the area. A wide range of topography and soils would enlarge the opportunities for research studies, as would an area with a uniform distribution of rainfall. Active watershed programs with which to cooperate would facilitate many projects needing study. Unlimited water supplies for testing of all kinds of structures is a necessity, as is the need for a climate suitable for year around outside investigation.

These advantages, or needs, are some of the major things that should be considered in the location of a center for engineering design. The study group reported in Senate Document 59 their recommendation of two areas as possible locations—the States of Oklahoma and Tennessee. We suggest to this committee that the State of Tennessee has the things needed by such a facility and strongly recommend its location in Tennessee. We have the water; we have the climate; we have varied topography and soils; we have active watershed districts; we have an outstanding land-grant college and experiment station facility; we have an outstanding college of engineering with excellent teaching and research programs; and we have much hydrologic and technical information available through these facilities and through the Tennessee Valley Authority, which has been most active and cooperative for several years in the field of soil and water conservation. We invite and encourage the location of the center for engineering design in our State, near the University of Tennessee. We can assure complete cooperation of all interested agencies and groups.

In summary, gentlemen of the committee, we encourage your sincere consideration of the inclusion of an appropriation item for the establishment of a center for engineering design as recommended in Senate Document 59, pages 136 and 170. We hope you will study this document, recognize the vital importance of soil and water conservation to the future of America and the urgent need for action that is now upon us. We invite you to provide for the establishment of this center in Tennessee and encourage your appreciation of the advantages of our State to the successful operation of the center. Again, we say that although

this would be a national center and can only be located in one place, it is for the benefit of the entire Nation.

Thank you very much for your permitting us the privilege of this statement.

CUYLER DUNBAR,
State Soil Conservation Committee.
TOM J. HITCH,
President, Tennessee Farm Bureau.
JOHN WILDER,
President, Association Soil Conservation District Supervisors.
WEBSTER PENDERGRASS,
Dean of Agriculture, University of Tennessee.
WM. F. MOSS,
Commissioner of Agriculture.

NATIONAL AUDUBON SOCIETY,
New York, March 25, 1960.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture Appropriations,
House of Representatives, Washington, D.C.

DEAR MR. WHITTEN: The National Audubon Society, having detailed a competent biologist with an entomological background to study the imported fire ant control program in the Southern States for the past 2 years, is gravely concerned about the continuing losses of wildlife resulting from the control methods currently in use. Such losses are still occurring on lands treated with heptachlor or dieldrin 2 years ago. Of even graver concern is the possibility of danger to human health in view of the zero tolerance set by the Food and Drug Administration for residues of heptachlor or the epoxide of heptachlor in foodstuffs.

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As you know, insecticides being used in the fire ant program are also chlorinated hydrocarbons, similar to DDT, although many times more toxic. The newly announced plan of applying heptachlor at the rate of one-fourth pound per acre in each of two separate applications, 2 to 4 months apart, will not avert serious damage to wildlife. This would be equivalent in toxicity to 4 and 8 pounds of DDT, a rate far above safe levels.

In view of the widespread damages accruing from the present methods used under the direction of the Plant Pest Control Division, U.S. Department of Agriculture, in the fire ant program, and in view of the general recognition now that the imported fire ant, while a nuisance, is not a serious economic pest, and in view of the many serious questions as yet unanswered by research now in progress, the National Audubon Society recommends your subcommittee eliminate the proposed appropriation of some $2½ million for the program during fiscal year 1961.

We are not opposed to an adequate appropriation for research and testing of control methods in the fire ant infested areas. In fact, we urge more funds for research. But the language of the appropriation bill, or the committee's report, should make it clear such funds are to be used for research only and not for continuation of the present, ill-advised control program using chlorinated hydrocarbons in broadcast.

We respectfully request this letter be made a part of the record of the hearings held by your subcommittee, and we thank you for your consideration of our views.

Sincerely yours,

CARL W. BUCHHEISTER, *President.*

Public Law 480, Market Development Program for Tobacco

(The following supplements the subject under discussion on p. 130:)

Statement on Public Law 480, Market Development Program for Tobacco, Presented to the Agricultural Subcommittee of the House Committee on Appropriations of U.S. Congress, March 16, 1960

The U.S. tobacco industry participation in the market development work is being carried on jointly by three trade associations, the membership of which together represents the producers and exporters of over 98 percent of the total tobacco exported by this country. Normally, we export over one-fourth of all the tobacco we produce.

Since the program was begun 4 years ago we have undertaken projects with the tobacco manufacturing industries in 12 foreign countries. Some of these projects have been completed, others are well underway and still others are just getting started.

The activities in which we have been engaged in the tobacco market development program fall largely into three categories, making market surveys in foreign countries, advertising in foreign countries locally made brands of cigarettes containing a high percentage of U.S. leaf, and bringing foreign tobacco officials to the United States.

In connection with the market surveys, personnel from the University of Kentucky made a detailed market survey in Spain, personnel from the University of Tennessee set one up in Italy, and personnel from North Carolina State College made one in Burma. In tobacco, this has not been an important part of the work since tobacco has been sold in foreign countries for a long period.

Under our program of sponsoring foreign visitors, 73 tobacco manufacturing company officials and staff personnel from 10 countries have come to the United States.

These foreign tobacco officials were given the opportunity to meet and know their counterparts in the U.S. tobacco industry and were shown the most modern methods and techniques being utilized in this country in the buying, storing, and processing of leaf tobacco and the manufacturing and distributing of tobacco products. U.S. tobacco processing and manufacturing officials have been most cooperative with our program and cordial to our foreign visitors.

Included among the foreign visitors were officials responsible for sales promotion. They studied the methods used by U.S. cigarette manufacturers to recruit, train, and organize sales staffs. They also spent considerable time in the offices of a large U.S. advertising firm getting a complete working knowledge of all different facets of sales promotion and advertising including the fundamentals of market research.

Most of the funds have been spent on the advertising projects. In Japan, the U.S. Department of Agriculture, the Japan Tobacco Monopoly, and the U.S. trade groups jointly organized a project for advertising the brands of cigarettes in which U.S. tobacco is used.

About 2 years ago a similar project was started in France in which three brands of cigarettes containing U.S. tobacco were being promoted. Emphasis has been placed on the Royale cigarette, a brand similar to American blended cigarettes. U.S. tobacco represents about two-thirds of the contents of this cigarette. The sales of this brand have shown a sizable increase since the program started.

About a year and a half ago, a similar project was started in Thailand. There the Gold City cigarette is advertised. This cigarette is made almost entirely from U.S. tobacco. Since the advertising project was started, the sales of this cigarette have doubled and the use of U.S. tobacco has increased substantially.

A new project was started last year in Burma in which four brands of cigarettes containing more than 50 percent U.S. tobacco are being promoted.

In tobacco, it is not quite enough to inform the public in the foreign countries of the merits of U.S. tobacco because consumers can get this tobacco only if it it is offered by manufacturers in their products. These manufacturers must be convinced that the public will buy the products in which U.S. tobacco is used if it is offered to them.

In most countries in which we have undertaken projects, the consumption of U.S. leaf has increased. Japan is now using over 11 million pounds of U.S. tobacco annually compared with only about 5 million pounds annually prior to the inauguration of our project there. U.S. leaf consumption in Thailand has increased about 25 percent. U.S. leaf consumption has increased in several other countries, including Italy and Finland, where we have had cooperative market development programs for tobacco under Public Law 480.

The main problem which the trade groups have encountered in helping the Foreign Agricultural Service of the U.S. Department of Agriculture to administer the tobacco market development program has been the uncertainty and, at times, the shortage of funds, for carrying on projects in some of the countries. We would hope and we urgently recommend that an authorization be made by the Congress for continuing the program on a long-range basis so as to eliminate the uncertainty which always prevails when funds are not available for planning purposes.

(Submitted by Burley and Dark Leaf Tobacco Export Association, Washington, D.C.; Leaf Tobacco Exporters Association, Greenville, N.C.; Tobacco Associates, Inc., Washington, D.C.)

LIST OF WITNESSES

	Page
Abernethy, Hon. T. G	480
Adair, Hon. E. R	286
Albert, Hon. Carl	496, 500
Albrecht, H. R	26
Anderson, M. A	26
Bailey, Hon. C. M	432
Baring, Hon. W. S	456
Baringer, J. W	271
Bass, James	90
Bauer, Paul	262
Belcher, Hon. Page	496
Bendix, Dr. W. L	173
Binger, Carl	304
Blake, W. R	195
Boals, Gordon	110
Bonner, Hon. H. C	176
Brechbill, Richard	286
Brinkley, H. L	14
Brinkley, Parke	252
Brock, Hon. Lawrence	497
Buchanan, M. T	47
Buck, G. S	195
Buck, Newman	66
Bull, Mrs. F. L	378
Campbell, Carl	110
Carnahan, Hon, A. S. J	475
Chamber of Commerce of the United States	515
Chavez, Hon. Dennis	505
Clapper, L. S	5
Coker, R. R	195
Cox, Gilbert	66
Darling, C. R	90
Darsey, A. L	256
Davies, A. P	160
Davis, Olin	90
Dell, R. A	90
Dixon, Hon. H. A	373
Dunn, Read	110
Dyer, Ray	146
Eaton, Blaine	90
Eaton, H. W	90
Edmondson, Hon. Ed	445, 496
Ellis, C. T	90
Ericson, H. L	185
Etscorn, I. F	262
Everett, Mrs. Frieda	110
Farrell, M. A	47
Fisher, A. W	195
Fitch, C. L	307
Fletcher, Donald	271
Forkner, Ray	195
Fuller, Edgar	378
Gaines, J. P	110
Gleason, Douglas	185
Goddard, George	19

	Page
Gordon, W. C	249
Graf, J. E	87
Grant, Hon. G. M	26
Halbert, Grady	66
Haley, Hon. J. A	496
Hall, H. F	315
Harmon, Hon. R. S	499
Hauline, Charles	307
Hawkins, Dr. L. E	47, 227
Hays, J. D	195
Heflin, H. R	21
Herlong, Hon. Sydney	424
Herrlein, H. G	302
Herrmann, Dr. O. W	1
Heuser, Mrs. J. V	307
Hews, Edward	181
Hiestand, Hon. E. W	429
Holliday, Miss F. L	262
Holmes, A. D	66
Hope, Hon. C. R	110
Horan, Hon. Walt	1
Horsfall, Dr. J. G	47
Humphrey, Hon. H. H	505
Hutson, J. B	110
Jarman, Hon. John	496
Jensen, Hon. B. F	388
Johnson, Hon. Byron	442
Johnson, Donald	286
Johnson, E. A	90
Johnson, Hon. Lester	330
Johnson, W. D	262
Jones, Dr. Paul	176
Kauffert, F. H	47
Kauffman, C. S	249
Kennedy, C. J	307
Kerr, Hon. R. S	496
Killick, J. A	364
Koch, R. M	289
Kurtz, Charles	249
Laird, Hon. M. R	466
Langstaff, Morton	90
Lanham, F. G	158
Lee, F. P	87
Lilley, C. W	378
Luedtke, Donald	66
Lynn, J. C	315
Mahon, Hon. G. H	66, 195, 455
Marvel, J. W	367
Matthews, Hon. D. R. (Billy)	304, 404
May, Hon. Catherine	457
Mayer, Arnold	6
McCart, J. A	83
McComb, Mr	304
McDowell, D. N	252, 271
McFall, Hon. J. J	427
McGovern, Hon. George	494
McIntire, Hon. C. G	181, 307, 393
McSween, Hon. H. B	450
McWhorter, C. T	90
Metcalf, Hon. Lee	470
Miller, Hon. Clem	473
Monroney, Hon. Mike	496
Morris, Hon. Tobey	496
Murray, C. C	47

	Page
Naden, Kenneth	14
National Audubon Society	519
National Farmers Union	506
National Grange	510
National Milk Producers Federation	511
Nelson, Dr. Paul	90
Nesius, E. J	26
Newton, W. G	90
Norris, Hon. T. G	492
Ostertag, Hon. H. C	342
Ott, George	66
Overby, Kermit	90
Parker, Joseph	79, 110
Perkins, Hon. C. D	401
Perryman, John	378
Peterson, Hank	307
Petran, Paul	307
Pewett, E. H	364
Pfeiffenberger, G. W	195
Pfost, Hon. Gracie	439
Pirnie, Hon. Alexander	342
Poage, Hon. W. R	435
Preston, Hon. P. H	482
Preston, R. J	47
Radue, Mrs. R. G	378
Ragland, C. S	243
Randall, Hon. W. J	478
Riley, G. D	17
Rogers, Hon. Walter	452, 504
Rose, Oliver	90
Rutford, Skuli	26
Ryall, Dr. A. L	1
St. George, Hon. Katherine	302
Sanders, C. T	367, 375
Sargent, John	90
Saund, Hon. D. S	340
Slanetz, Dr. C. A	302
Smith, D. R	307
Smith, Hon. F. E	504
Smith, H. O., Jr	243
Snodgrass, Frank	110
Staggers, Hon. H. O	448
Steed, Hon. Tom	227, 496, 500
Stokes, D. R	1
Stough, Mrs. A. B	386
Stratton, Hon. S. S	342
Sullivan, Hon. L. K	485
Sutton, Dr. W. A	26
Svarre, Ingard	367
Taber, Hon. John	342
Thomason, Hon. Keith	405
Thompson, Hon. T. A	462
Thorne, D.W	47
Trimble, Hon. J. W	484
Turk, L. M	47
Ullman, Hon. Al	489
Van Wegenen, Dr. Alfred	79
Volk, N. J	47
Walker, J. H	325
Wells, Jim	304
Welsh, W. E	165
Werigold, George	110
Westveld, R. H	47
Wetzler, J. C	225

Page
White, Dr. R. P 87, 359
Wilder, J. S 146
Wildlife Management Institute 516
Williams, H. M 79, 110
Williams. W. A 66

○

Page
7, 359
146
516
9, 110
66